



Mikhail S. Gorbachev being greeted by Secretary of State George P. Shultz and his wife, Helena, upon his arrival Monday at Andrews Air Force Base.

Gorbachev, in U.S., Says He Hopes to Hear 'New Things' on Arms

By Lou Cannon
and Don Oberdorfer
Washington Post Service

WASHINGTON — Mikhail S. Gorbachev arrived here Monday for a three-day summit meeting, saying he hoped to hear "new things" from President Ronald Reagan on the limitation of offensive strategic arms and assuring Americans that "we sincerely want better relations between our governments and peoples."

Mr. Gorbachev, the first Soviet leader to visit the United States in 14 years, will sign a treaty on the limitation of intermediate-range and shorter-range missiles.

Earlier, in Britain, he said in a meeting with Prime Minister Margaret Thatcher that he was hoping for a 50 percent cut in strategic arms as well.

Mr. Gorbachev's special Aeroflot flight-62 arrived on schedule at 4:43 P.M. in cold weather at Andrews Air Force Base near Washington. He and his wife, Raisa, passed briskly down a receiving line as the evening light fell. A delegation headed by Secre-

tary of State George P. Shultz greeted the Gorbachev party. Then Mr. Gorbachev gave a short arrival speech.

"I wish on behalf of the people and government of the Soviet Union to assure all Americans that we sincerely want better relations between our countries and peoples," Mr. Gorbachev said.

"I have arrived in your country to complete work and sign treaties on intermediate-range and shorter-range missiles, to complete work on which all the peoples of the world are looking to us today."

"At the center of our discussions with the president of the United States will be the pivotal question of reducing strategic offensive arms. We are hoping we will hear some new things on this side."

Mr. Gorbachev said the talks would, of course, deal with other international problems.

"We can neither of us shrink the role we have to play in world affairs," he said. "We must act with the utmost responsibility to our peoples and the peoples of the whole world."

"The very fact of this meeting

and its agenda point to the increased responsibility and the understanding of that responsibility which is developing among the leaders of the U.S.S.R. and the United States of America."

"We are," Mr. Gorbachev concluded, "in favor of constructive dialogue. I would like to wish peace to all Americans."

Mr. Shultz, standing at Mr. Gorbachev's side, shook the Soviet leader's hand and said, "We are ready."

"May God help us," Mr. Gorbachev replied. "We are ready, too."

The Gorbachevs drove in a Soviet Zil limousine to Washington, where they were hosts to Mr. Shultz and his wife, Helena, at a tea at the Soviet Embassy. That was the only event on Mr. Gorbachev's schedule before he begins talks with Mr. Reagan Tuesday morning.

Security at the embassy, which is four blocks from the White House, was extremely tight even before Mr. Gorbachev's arrival. The immediate area was closed to normal traffic.

In advance of Tuesday's summit See GORBACHEV, Page 2

France Expels Iran Dissidents

By Edward Cody
Washington Post Service

PARIS — The French government rounded up dozens of Iranian dissidents and ordered them expelled Monday in what the exiles said was "ransom" for the recent liberation of two French hostages in Beirut.

The expulsion order, announced by the Interior Ministry, appeared to be the latest step in a complicated, secret agreement worked out with the government of Ayatollah Ruhollah Khomeini by Prime Minister Jacques Chirac and his aides to win the hostages' release.

The Interior Ministry did not say

when the expulsions would be carried out or where the Iranians would be sent. News reports quoted French officials as saying those expelled would not be forced to return to Iran.

The accord, only parts of which have become known, led to the release on Nov. 27 of two French journalists and the exchange two days later of an Iranian official confined in Paris for a French diplomat confined in Tehran.

With this exchange and the promise of a quick payment on a \$1 billion French debt to Iran, French officials have expressed hope the remaining three French hostages in Lebanon will soon be freed and

relations with Iran will be normalized.

The expulsion order affected supporters of the Mujahidin Khatu, an Iraqi-supported rebel group headed by Massoud Rajavi. The Baghdad-based organization, whose military action has been coordinated with Iraq in the Gulf War, represents the major armed resistance by Iranians to Ayatollah Khomeini's rule.

Mujahidin officials in Washington said that their forces have killed or wounded 8,400 Iranian soldiers and taken 843 prisoners in about 100 clashes along the Iran-Iraq

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Mikhail S. Gorbachev with Margaret Thatcher during his stopover in Britain on Monday.

MORE SUMMIT NEWS

- Days after the pact takes effect, Russians will launch unarmed missiles to destroy them. Page 7.
- Britain's 'Greenham women' call the INF treaty a victory but vow to continue protesting until U.S. missiles are dismantled. Page 6.
- In East Asia, officials and analysts welcome the U.S.-Soviet agreement but differ on the next arms control treaty. Page 3.

In Britain, Gorbachev Hails a Pact for Peace

By Howell Raines
New York Times Service

BRISTOL AIR BASE, England — Mikhail S. Gorbachev, stopping here Monday on his journey to the summit meeting in Washington, said the treaty that he and President Ronald Reagan are scheduled to sign on Tuesday is an expression of a yearning by people everywhere for a "nonnuclear world."

The Soviet leader's host, Prime Minister Margaret Thatcher, used the occasion to praise Mr. Gorbachev and to promote her ideas for removing U.S.-Soviet disagreements over the Strategic Defense Initiative as an obstacle to further arms control agreements.

At a news conference after Mr. Gorbachev's two-hour visit, Mrs. Thatcher said that the dispute over the space-based missile defense system could be dealt with through "confidence-building measures" that would open the way for an agreement for the superpowers to cut their arsenals of intercontinental ballistic missiles by 50 percent.

Mrs. Thatcher called on both sides to agree not to withdraw from the 1972 Anti-Ballistic Missile Treaty for a fixed period and to inform each other in advance of

their research activities, to be conducted on an agreed timetable.

She said this "common sense" approach offered a way around the disagreements. The Soviet Union has maintained that the ABM treaty prohibits testing of a space-based defense system, while the Reagan administration has insisted that it had the right to conduct such tests.

Mrs. Thatcher suggested that Mr. Gorbachev opened the door to a compromise on SDI in an interview last week when he acknowledged that the Soviet Union was also conducting research on space-based defense systems.

"I think that of itself was a significant step, a quite significant step, which makes further arrangements of the kind I've indicated possible," Mrs. Thatcher said.

Analysis said Mr. Gorbachev's visit to England was intended to signal his concern for European opinion and also to bind a relationship with Mrs. Thatcher that has proved useful to both of them.

From the moment Mr. Gorbachev's plane rolled to a stop, his visit had an air of celebration.

Mrs. Thatcher stood hatless and coatless in a biting wind as Mr. Gorbachev emerged from the plane.

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Kiosk Israel Is Asked For Restraint

TEL AVIV (Reuters) — Prime Minister Yitzhak Shamir said Monday that Israel had been asked not to retaliate for the Arab hang-glider raid in northern Israel last month while this week's U.S.-Soviet summit meeting is under way. He said Israel would make its own decision when and how to respond to the attack, in which six Israeli soldiers were killed.

"There are some requests of this character you've mentioned," Mr. Shamir told reporters at a rally in support of Soviet Jewish emigration. But, he said, "we will act according to our decisions."

In Washington, a State Department spokesman said that the United States had asked Israel and Syria for restraint.

EC Aides Approve Pact To Deregulate Air Fares

By Steven Greenhouse
New York Times Service

BRUSSELS — The European Community's transport ministers approved a long-awaited airline deregulation package Monday that EC officials say will help lower ticket costs by injecting a major dose of competition into flights within Europe.

The liberalization package aims to end the system of bilateral rate-setting and capacity sharing that has long dominated air transportation in Europe.

The package, approved after two and a half years of debate, aims to please consumer groups that have long complained about the air fares within Europe, among the highest in the world.

At the same time, the transport ministers from the 12 nations in the

EC sought a "gradualist" approach that would not turn the system top-sy-turvy the way deregulation did in the United States.

"Immediately ordinary people will begin to get a squarer deal than they had before," said Stanley Clinton Davis, the EC's transport commissioner.

The package will make it easier for airlines to discount tickets to as little as 45 percent of the economy fare without requiring the approval of other nations or airlines. It will also make it easier for small, low-cost entrepreneurial airlines to fly routes now dominated by huge national flag carriers.

"While this first step will not bring about miracles," said Peter Sutherland, the EC's minister of competition, "this agreement

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Disaffected Brazilians Leave Problems Behind

By Alan Riding
New York Times Service

RIO DE JANEIRO — When Mario Salgado, a young Brazilian architect, was offered a job in Portugal this year, he jumped at the chance. "I hope to return here one day," he said while packing, "but everything has become so difficult."

Alda Barreto, a secretary for a Swiss company, came to Brazil with her Portuguese parents as a child. Now 41, she also plans to move to Lisbon.

"Everyone seems to be so fed up," she said. "People are so disillusioned by the lack of political change."

For a country that has traditionally received poor migrants searching for a new life, the phenomenon of middle-class Brazilians wanting to leave is a particularly painful symptom of a pessimism that grips Brazil today.

Only three years ago, this nation of 140 million people was filled with hope as two decades of military rule drew to a close. As recently as last year, a brief consumer boom kept spirits high. Yet now, amid raging inflation, political confusion and social tensions, Brazil seems to have lost its way.

Through the 1970s and early 1980s, rapid economic growth persuaded many Brazilians that their country was predestined to be a great power. Today, it is as if that future was snatched away from them.

there is no longer an easy answer," an industrialist said. "Every country goes through hard periods. The United States went through the Vietnam War. Well, it's now Brazil's turn to be tested."

The exact number of Brazilians who prefer to opt out of this challenge is hard to measure because many leave as tourists. But Portugal, Italy, Australia and Canada report a sharp increase in requests for work permits and residence visas. One recent public opinion poll indicated that two-thirds of urban middle-class Brazilians dream of living abroad.

The complaints heard from those leaving are also voiced by those staying. "This is a country with no rules, no responsibility, no shame," said Antonio José de Andrade, a businessman. "We're living the end of an illusion."

Behind this reaction is the disenchantment and almost personal sense of betrayal felt by many Brazilians who believed that the return of civilian rule in early 1985 would resolve the many social and economic problems.

Instead, it has been a disappointment. Along with record inflation, there has been a deterioration of public services and living standards. Urban violence has increased. Poverty is more visible than ever and corruption is widely believed to be on the rise.

At the same time, the political vacuum left by the generals has

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In Ulster: A Death Too Many?

After Enniskillen, a Pause, Political Ripples in Dublin

By Francis X. Clines
New York Times Service

ENNISKILLEN, Northern Ireland — The killing of one Irishman by another is such a routine part of this province's strife that it is unusual when the loss of innocent life causes people to stop and wonder whether the long, coarse weave of vendetta and grievance might be altered.

Few dare risk a final answer, but such a question is now reverberating in Belfast, Dublin and London after the bomb blast that killed 11 Irish civilians here Nov. 8.

Among the victims was Marie Wilson, 20, a student nurse mortally wounded when she was crushed by a wall where the Irish Republican Army had hidden a powerful bomb to desecrate a memorial service.

They intended the bomb, the IRA later insisted, for security forces, not civilians.

By the normal pace of Irish atrocity, the story of Miss Wilson's death might have slipped from general sight by now into the local annals of fratricide that darken this beautiful, hard-pressed border crossroads.

However, the circumstances of her death, after she reassuringly squeezed the hand of her father, Gordon, who lay stricken alongside her under the rubble and then expressed her farewell to life, are still being recounted well beyond Enniskillen. They appear, as well, to be affecting the politics of Dublin.

"She had been screaming at times, then reassuring me," recalled Gordon Wilson, his right arm in a

sling, the hand groping as he talked. "She said, 'Daddy, I love you very much.' Those were the last words she spoke."

"I bear no ill will," said the father who stunned many in Britain in the first hours after the bombing when he said that his reaction to his daughter's death was to pray for her killers.

Danny Morrison, a spokesman for Sinn Féin, the political arm of the outlawed IRA, said: "There's nothing we can say to help that man and the other relatives which would give them any comfort."

Sinn Féin maintains that the timing of the detonation was a mistake.

"We're not prepared to defend the bombing," Mr. Morrison said in a separate interview in Belfast. However, he said that there had been comparable tragedies inflicted by paramilitary terrorists on the Roman Catholic minority that the IRA vows to defend from the province's British authorities.

The names of these events have a roll-call familiarity by now: the "Bloody Sunday" shooting of 13 Catholic civil rights marchers by British security forces in Londonderry in 1972; the bombing by a Protestant loyalist who killed 15 Catholic nationalists in McGurk's barroom in Belfast in 1971.

For the pro-British loyalists there was the Birmingham pub bombings by the IRA that killed 21 people in 1973.

So the record accumulates, and Enniskillen, too.

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U.S. Dollar Intervention Is Dismissed as 'Peanuts'

By Reginald Dale
International Herald Tribune

PARIS — The United States has not yet made the major policy decision to halt the dollar's decline, despite the Federal Reserve's intervention Friday to steady the exchange rate, European officials and U.S. analysts said Monday.

Friday's intervention, in which the central bank bought limited amounts of dollars, was dismissed as "peanuts" by one European financial official. He said there was as yet no evidence that Washington had switched its priorities from fighting recession to stabilizing the dollar by, for example, showing a willingness to raise interest rates.

Lower interest rates would help stimulate the U.S. economy, while higher interest rates make dollar assets, and therefore the currency, more attractive to investors.

"Washington is not yet ready to grasp that particular nettle," said a British government official, who insisted that there had been no major change in U.S. policy.

The Fed's action probably was intended to prevent a further fall in the dollar that could provoke another collapse in world stock markets this week, said David M. Jones, chief economist at Aulby G. Lanston & Co., a New York securities firm.

In Basel, Switzerland, European central bankers, emerging from the regular monthly meeting of the Bank for International Settlements, the clearing house for central banks, told Reuters that the

Fed's move was not necessarily a harbinger of a policy shift. "Intervention is not so much a change of policy," said one banking official.

The uncertainty about U.S. intentions prompted Monday in currency markets, with the dollar little changed from Friday's levels.

Some private analysts and currency dealers in Europe interpreted the Fed's move as signaling a greater willingness to support the dollar in response to last week's concerted reduction in European interest rates.

They saw in it the outline of a package deal in which the United States stabilized the dollar, as European governments have been urging, in exchange for faster economic growth by the major U.S. trading partners, which Washington has been demanding.

Such a deal could emerge from a meeting of the Group of Seven leading industrialized democracies — the United States, Japan, West Germany, France, Britain, Italy and Canada — in the weeks ahead, these analysts said.

The European officials, however, insisted that that interpretation was at best premature. British officials said that while they were still hoping Washington would move to stabilize the dollar, it had yet to do so.

Washington's agreement to take "more substantial" action to support the dollar was the one precondition remaining before the G-7 could meet, British officials said.

U.S. analysts, in agreeing that

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Dow close: UP 45.43
The dollar in New York:
DM £ Yen FF
1.6785 1.786 132.95 5.684

1,000 Beijing Students March To Protest Classmate's Murder

By Edward A. Gargan
New York Times Service

BEIJING — About 1,000 university students, defying hundreds of policemen, marched through Beijing on Monday to protest against the murder of a classmate Saturday.

Policemen repeatedly tried to break up the protest, and at least one student was arrested. Several others were punched and beaten by the police, according to witnesses.

It was the first march by university students in Beijing since the series of nationwide demonstrations for greater democracy last winter. Following those demonstrations, Beijing authorities banned all public protests.

"We are protesting for our dead schoolmate," a young student pushing a bicycle said. "We are protesting against the bureaucracy."

On Saturday, a business management student at the University of International Business and Economics was stabbed to death by what his colleagues said was a "hooligan" or hoodlum.

Protesting students charged that although the victim had been rushed first to the university clinic and then to the well-equipped Chinese-Japanese Hospital, medical

personnel in both places procrastinated and failed to treat the severely injured student immediately.

The student, Zang Wei, 19, died early Sunday, the students said.

In the protest, nearly 1,000 students participated. Many wore white paper carnations, the traditional symbol of mourning.

When the march began, students said, policemen in blue and white cars and on foot began trailing the marchers and urging them to return to their campus. But they said they were not to be deterred.

Students earlier plastered dozens of posters on the walls of university buildings, denouncing what they said was inaction by school officials in dealing with the murder. It is illegal in China to erect so-called "big character posters," large sheets of paper usually covered with fist-sized Chinese ideograms that proclaim political positions or announce grievances.

"One of our companions has died, we may be next," one poster read. "Respect our human rights," read another.

Several students said that they had attempted to discuss the murder with university officials but were unsuccessful, which is why the students decided to march. The closer the students came to Chang An Boulevard, the broad east-west thoroughfare that slices through

the heart of Beijing, the rougher the policemen became.

"They hit us," a student said. Another, his face cut and bruised, said he had been slugged by a policeman.

As the students approached the Ministry of Foreign Economic Relations and Trade, the parent institution of the university, Zheng Tuobin, the minister, walked into the throng of protesting students and pleaded with them to go home.

Instead, the crowd, which included onlookers numbered at well over 2,000, surged through the front gates of the ministry. But then they were persuaded by ministry officials that their complaints would be heard in a nearby auditorium.

Inside, Mr. Zheng, two vice ministers and two vice chancellors from the university listened to the agitated students, according to a witness to the meeting.

After 90 minutes, much of what was occupied by students strongly criticizing the university administrators for their aloofness and apparent unconcern, the officials said that another meeting would be held on campus the next day. The students, manifestly tired and hungry, then acceded to the officials' request that they board buses and return to campus.



Washington police keep a watchful eye on Soviet Embassy.

Opposition To Ershad Holds Strike In Dhaka

The Associated Press

DHAKA, Bangladesh — An opposition strike aimed at toppling the government closed shops and brought traffic to a near standstill Monday, a day after President Hussain Mohammad Ershad dissolved Parliament.

Several bomb blasts were heard in Dhaka on Sunday night and Monday, but no casualties were reported.

Opposition parties have conducted a series of strikes and rallies since Nov. 10 in an effort to force General Ershad to resign. The strike Monday was launched in defiance of a government ban on political protests.

General Ershad, who took power in a bloodless coup in 1982, has offered to hold early parliamentary elections to halt the campaign for his removal. His decision to dissolve Parliament was announced on state-run television Sunday.

It was not clear whether the dissolution of Parliament was designed to clear the way for new elections, possibly as a result of a behind-the-scenes agreement with opposition parties. Publicly, his opponents said they will not be satisfied until he resigns.

The normally chaotic traffic in Dhaka, a city of four million, disappeared Monday. Office workers walked to their jobs. Some state-run buses continued to operate, but with fewer passengers than usual.

Only a few bicycle-powered rickshaws, the city's main form of transport, were sighted. Police and paramilitary forces patrolled the streets. No confrontations were reported.

General Ershad's dissolution of Parliament prompted speculation that he may call elections by February or March. Under the constitution, an election must be called within 90 days of the dissolution of Parliament.

The Jatiya Dal (National Party) led by General Ershad won 213 of 330 parliamentary seats in elections last year, but his opponents said there was large-scale vote fraud.

The 10 members of the Muslim fundamentalist Jamaat-e-Islami Party resigned Thursday, saying they wanted to "express solidarity with the people's movement." Two independent lawmakers also quit.

There were reports that the 76 members of the Awami League, the largest opposition party in Parliament, also planned to resign.

The Awami League is headed by Hasina Wazed, one of the two most powerful opposition leaders. The other is Begum Khalida Zia, whose Bangladesh National Party boycotted last year's elections. Both women have been under house arrest since Nov. 11.

The protest marches and strikes have periodically turned violent, and on Nov. 27 the president declared a state of emergency, banning public gatherings and reporting of opposition activities.

Postal Strike Ends in Greece

The Associated Press

ATHENS — Greek postal workers returned to work Monday to face mountains of undelivered mail after ending a two-week strike for higher pay and better fringe benefits.

road together, the Soviet Union, the United States, Great Britain, our allies and your partners."

"I think by acting in this way the governments of the West and East have expressed the will of their people and not only of their people but of all the countries of the world," he said.

they will seek Canada's recognition of their group in place of Pretoria.

The Soviet Union, Romania and East Germany have accorded the group diplomatic recognition, and Kenya has said it will upgrade the organization's office in Nairobi to include limited diplomatic status later this month.

Initially, the group is seeking only to have its offices in 26 capitals given partial diplomatic status.

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shows that we should go on one route toward greater competition, recognizing that greater efficiency results from competition."

A spokesman for the EC Commission, the bloc's executive arm, estimated that the package would lower air fares for intra-European flights by an average 10 to 15 percent.

As an example of how the plan might spur competition and lower fares, EC officials said Europe will see more airlines like Ryan Air, a small Irish airline that flies from Dublin to Brussels for half the price of Sabena, the Belgian airline, and Aer Lingus, the Irish airline.

Paul Channon, Britain's transportation minister, called the package a milestone for the EC. He said he doubted prices would fall as soon as the package takes effect Jan. 1, but he noted that he thinks

there can be a noticeable change in prices by next summer."

Mr. Channon added: "No longer will two airlines be able to operate a cozy cartel and monopolize a route."

Still, consumer groups were hoping that the package would go further. "This is very much a first step," said Tony Venables, director of the Brussels-based European Bureau of Consumer Unions.

"There will not be many tangible benefits unless we see new airlines take advantage of the plan's provisions."

International flights between cities in any two European countries now are dominated by the nations' national flag carriers that, thanks to anti-competitive bilateral agreements, divide the market and set the fares, which are often twice the rate in the United States per mile.

An obstacle to the agreement was removed Thursday, when Brit-

WORLD BRIEFS

UN Steps Up Food Airlift to Ethiopia

ADDIS ABABA, Ethiopia (AP) — A third C-130 cargo plane has started ferrying grain to northern Ethiopia, bringing to six the number of cargo planes operating there, a UN official said Monday.

Michael Priestley, head of UN relief operations in Ethiopia, said the plane, chartered by the UN Disaster Relief Organization, began airlifting supplies on Sunday to the region, which is threatened by famine. It carried 96.5 tons of food in five shuttles from Asmara, in Eritrea, to Mekele, the administrative capital of Tigray Province.

Airlifts were needed after Eritrean rebel attacks on truck convoys forced the government to close roads in Tigray and Eritrea. The provinces are the most severely affected, with 2 million to 3 million people facing starvation.

Court Rejects Slander Suit by 4 Poles

WARSAW (NYT) — A Polish court threw out a suit Monday that accused the chief government spokesman of slandering four Poles by asserting that they had espionage links with an official of the U.S. Embassy.

The case was viewed as significant because it was the first time Polish citizens used a right of legal appeal against what were once held to be unchallengeable activities of the government.

The case involved assertions by the spokesman, Jerzy Urban, at a news conference earlier this year that four Polish academics held secret meetings with an American diplomat whom Polish authorities had accused of espionage. The chief judge, Edmund Sackowski, acknowledged that Mr. Urban's assertions might constitute "invasion of privacy" but said the spokesman had "no duty" to determine whether information supplied him by government agencies was true or not.

Czechoslovakia Bans Rights Rally

VIENNA (AP) — Czechoslovakia has banned a demonstration planned by Charter 77, a human rights group, and ordered members of the organization to appear at a hearing, émigré sources said Monday.

The group had planned to hold the demonstration Dec. 10 in Prague to mark International Human Rights Day.

Officials told the six members of the group who signed an application for permission to hold the demonstration that it was prohibited and that they were to appear for a hearing on Tuesday, the sources said.

Italy Financing Costs Likely to Rise

ROME (Reuters) — Italy is likely to resort to expensive provisions financing in the early part of next year because of delays in parliamentary approval for its 1988 budget, officials said Monday.

The government's 1988 budget proposal was passed by the Senate Sunday but still has to be approved by the lower house. Parliamentarians officials said the bill, which the government had wanted passed by Dec. 31, was unlikely to be debated until the second half of January.

Political sources said provisional financing is expensive mainly because of technical costs involved in drafting temporary measures and because the government must draw on special funds set aside for such emergencies.

33 Deaths Reported in Floods in Peru

LIMA (AP) — Rescue workers have recovered the bodies of 33 people who drowned when two rivers overflowed their banks after heavy rain and swept away two villages on the eastern slopes of the Andes.

Americo Bonet Hermosa, the mayor of La Merced, near the village, said that 70 people disappeared Friday in flooding along the Perene in Uchirí rivers, 175 miles (280 kilometers) northeast of Lima.

A civil defense spokesman said that 21 people were known to be dead and 50 people were missing. Earlier, it had been reported that some casualties were caused by mudslides.

21st Game in Chess Match Is Drawn

SEVILLE, Spain (Reuters) — The 21st game of the world chess championship between the titleholder, Garry Kasparov, and his challenger, Anatoli Karpov, was drawn Monday in a complex position after moves. The result kept the score tied at 10.5 points apiece in the 24-game match.

Honduras Recalls Attaché in Colombia

TEGUCIGALPA, Honduras (WP) — The Honduran government ordered the recall from Colombia of its military attaché, Colonel Wilfredo Said Speer, who was linked to a Colombian wanted by the United States on charges of narcotics trafficking.

The Honduran Foreign Ministry said it was recalling Colonel Speer "for consultations." On Nov. 21, Jorge Luis Ochoa Vásquez, suspected leading a drug trafficking ring based in Medellín, Colombia, that responsible for 80 percent of the cocaine smuggled into the United States was arrested in Bogotá on a speeding charge while driving Colonel Speer's car. The colonel has denied any wrongdoing.

Fiji Leaders Exchange Whales' Teeth

SUVA, Fiji (AP) — Fiji's transfer of power from military rule to unelected civilian government took place Monday when the country's three most powerful men exchanged gifts of whales' teeth, a traditional ritual.

The ceremony followed the announcement Saturday by the military leader, Colonel Sitiveni Rabuka, that he was stepping aside and appointing the former governor general, Ratu Sir Penaia Ganilau, as president of the new republic.

Colonel Rabuka, who staged two coups in less than five months, retained his position as head of the army. Sir Penaia's first as president was to appoint Sir Kamisese Mara as prime minister. He's prime minister from independence in 1970 until an election defeat April. Sir Kamisese presented a whale's tooth Monday to Sir Penaia's traditional symbol of respect and support.

For the Record

The centrist party of President Victor Paz Estenssoro was badly beat in nationwide municipal elections, failing to win in any of Bolivia's largest cities, unofficial election results showed Monday.

Senator Lawton Chiles, Democrat of Florida, chairman of the Senate Budget Committee and a three-term veteran of the Senate, said Mond he would not seek re-election next year.

Defense lawyers in Michael K. Deaver's perjury trial rested their Monday without calling any witnesses after the judge refused to dismiss any of the charges against the former presidential aide.

TRAVEL UPDATE

Air France has started weekly service to Santo Domingo, Dominican Republic. The 747 flight leaves Sunday from Charles De Gaulle Air and the return arrives in Paris on Monday morning.

Rain flooded houses and roads along Portugal's Algarve coast Monday and cut power supplies to Faro, the region's capital. There were immediate reports of casualties.

Smog levels have risen in Ankara, and industry sources on Monday blamed the pollution on a shortage of South African hard coal for heat in Turkey. Many residents burn domestic soft coal or high-carbon lignite which contributes to smog.

Spain and Spain agreed to joint use of the Gibraltar airport.

Under the plan approved Monday, airlines can, beginning January, expand their share of capacity between two cities to 55 percent without needing approval of the aviation or flag carrier.

The package also will allow a first on off-peak flights with requiring a Saturday night stay over. However, there will be a correlation charge of 20 percent to percent. In addition, the commission said that other discount fares will be available for 10 percent to 20 percent less than at present.

Cuba Aide Salvador Victim

HAVANA — President Fidel Castro announced that Cuba's build a medical center near Havana for victims of El Salvador's war, a state-run news agency said on Monday.

FRANCE: Exile for Iran Dissidents

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border since the beginning of the year.

The Interior Ministry said "several dozen" Mujahidin militants were detained around Paris. They were served with expulsion orders because "they were carrying out within that organization militant acts that gravely harm public order," the ministry said.

The ministry's communiqué did not describe the militant acts on which the expulsion orders were based. Mujahidin spokesmen in Paris and Washington asserted that their supporters have violated no French laws and have been residing in France under political asylum as defined by United Nations and French statutes.

"There is no doubt that these expulsions are part of the ransom Khomeini is seeking from the French government and that the French government has given in to

this little Hitler, that is, Khomeini," said Shahin Gohadi, a Mujahidin official.

Reports on Fleet Denied

Youssef K. Ibrahim of The New York Times reported from Paris:

In an interview in Paris on Monday, a senior French foreign ministry source, who asked not to be identified, denied reports that an agreement with Tehran included a pledge to withdraw the French fleet patrolling the Gulf to guard against Iranian mining and attacks on neutral shipping.

"We have not polluted French foreign policy," the source, a senior policy maker, said, adding that France, unlike the United States, had not agreed to supply Iran with weapons.

In addition, the source said, "We won't stop arms delivery to Iraq, and we are maintaining all our Arab relations at the present level."

BRAZIL: Widening Exodus

(Continued from Page 1)

been filled with such disorder that many Brazilians have already tired of civilian politicians. Many of those still in positions of influence — including President José Sarney — were formerly allied to the military and now represent continuity rather than a much-desired break with the past.

Even now, Brazilians do not have a president of their choice. Their first frustration came when the generals insisted that Brazil's first civilian president since 1964 be picked by an electoral college and not by direct popular vote. Then, after the opposition candidate, Tancredino Neves, was elected amid much enthusiasm, he died without taking office and was succeeded by his running mate, Mr. Sarney.

Much of the bitterness toward Mr. Sarney stems from the perception that, though he has proved to be a weak and indecisive leader and unable to control inflation or promote social change, he has dedicated his energies to prolong his power and delay new elections.

Yet the present crisis runs deeper than the power struggles of a transition from dictatorship to democracy. In economics and politics, models that worked for more than 20 years have collapsed and no consensus has emerged over what should replace them.

For example, a development strategy long sustained by easy foreign borrowing must now make way for one that can survive on domestic savings and minimal credit from abroad.

Some Brazilians, looking for a new course, turned expectantly to a Constitutional Assembly that convened in February to write a constitution. But though its work is not over, its chaotic debates have stirred fears that it will produce an unworkable document.

The current hope is that early elections can bring a legitimate and credible government. Although Mr. Sarney fought with all the resources at his disposal for an extra year in office, a 93-member drafting commission voted last month for elections in November 1988, a recommendation that the full 559-member Constitutional Assembly is expected to endorse.

But even this course is not without perils. The Constitutional Assembly plans to introduce a parliamentary system of government as of March, but this could spawn endless confrontations between president and prime minister.

Even with tensions building among this country's political, business and military elites, the lives of most people in Brazil are still barely touched by politics.

"Brazilians are by nature passive and apolitical," a foreign diplomat said. "In any other Latin American country, we'd have riots in the streets by now, but that's not Brazil."

Instead, seeming to accept that they have no influence over events, most Brazilians view the government exclusively through the prism of their own struggle to make ends meet. Today, their verdict is uniformly negative. Those who have neither the option nor the desire to go abroad must simply tighten their belts.

The chief culprit is inflation. For the 60 percent of Brazilian workers who earn less than \$100 a month, inflation averaging more than 10 percent a month has brought acute hardship.

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GORBACHEV: Arrival in U.S.

(Continued from Page 1)

meeting, the first of four the two leaders are scheduled to hold, spokesmen for the two men held an unusual dual briefing.

The White House spokesman, Martin Fitzwater, told reporters that "the president approaches this summit with a sense of realism, a sense of promise."

The Soviet spokesman, Gennadi I. Gerasimov, said of the summit meeting, "We have great expectations, and we think it will be a success." But he referred to Mr. Gorbachev as "a man of surprises."

The U.S. negotiator on medium-range missiles, Maynard W. Giltman, was due to arrive from Geneva two hours after Mr. Gorbachev, carrying with him the 150-page text of the treaty on intermediate-range nuclear forces that the two leaders are to sign.

Two Soviet negotiators, Alexei A. Obukhov and General Vladimir Medvedev, were aboard the U.S. military plane, along with about 30 other delegation members.

At a picture-taking session before meeting with the Joint Chiefs of Staff, President Reagan made a spirited defense of the treaty, which has been criticized by some conservatives.

"I've always said that I'd rather have no treaty than one that doesn't add to our security and that of our allies, and the INF treaty meets that test," the president said.

"It's a solid accomplishment for the United States and our allies," he said, "and for the first time we will reduce nuclear weapons."

"We've done this without weakening the other elements of our defensive posture in Europe, and we'll have the toughest verification provisions of any treaty on the books."

Mr. Gorbachev and Mr. Reagan will sign the treaty at a White House ceremony Tuesday morning.

BRITAIN: Praise for Gorbachev and 'Historic' Pact

(Continued from Page 1)

plane. Halfway down the steps, he raised both hands toward her and clinched his fists in an athlete's gesture of affirmation. After a hurried lunch, the two leaders emerged from their talks for their departure statements.

"We are living in historic times and the treaty Mr. Gorbachev is

going to sign is a historic treaty," Mrs. Thatcher said. She said it brought "extra joy" to the Christmas season and added, "And it's a promise of more progress to come."

In his response, Mr. Gorbachev was careful to promote Mrs. Thatcher's role in the arms negotiations, saying "we have covered this

road together, the Soviet Union, the United States, Great Britain, our allies and your partners."

"I think by acting in this way the governments of the West and East have expressed the will of their people and not only of their people but of all the countries of the world," he said.

they will seek Canada's recognition of their group in place of Pretoria.

The Soviet Union, Romania and East Germany have accorded the group diplomatic recognition, and Kenya has said it will upgrade the organization's office in Nairobi to include limited diplomatic status later this month.

Initially, the group is seeking only to have its offices in 26 capitals given partial diplomatic status.

(Continued from Page 1)

shows that we should go on one route toward greater competition, recognizing that greater efficiency results from competition."

A spokesman for the EC Commission, the bloc's executive arm, estimated that the package would lower air fares for intra-European flights by an average 10 to 15 percent.

As an example of how the plan might spur competition and lower fares, EC officials said Europe will see more airlines like Ryan Air, a small Irish airline that flies from Dublin to Brussels for half the price of Sabena, the Belgian airline, and Aer Lingus, the Irish airline.

Paul Channon, Britain's transportation minister, called the package a milestone for the EC. He said he doubted prices would fall as soon as the package takes effect Jan. 1, but he noted that he thinks

there can be a noticeable change in prices by next summer."

Mr. Channon added: "No longer will two airlines be able to operate a cozy cartel and monopolize a route."

Still, consumer groups were hoping that the package would go further. "This is very much a first step," said Tony Venables, director of the Brussels-based European Bureau of Consumer Unions.

"There will not be many tangible benefits unless we see new airlines take advantage of the plan's provisions."

International flights between cities in any two European countries now are dominated by the nations' national flag carriers that, thanks to anti-competitive bilateral agreements, divide the market and set the fares, which are often twice the rate in the United States per mile.

An obstacle to the agreement was removed Thursday, when Brit-

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Decoy Barge Off Kuwait Is Struck by Iran Missile

United Press International
MANAMA, Bahrain — Iran fired a Silkworm missile on Monday at Kuwait's Sea Island oil terminal, striking a decoy barge that was protecting the offshore facility near waters where the U.S. Navy has permission to establish a floating base.

The missile was the first launched at Kuwait by the Iranians since Oct. 22, when a Silkworm fired from Iranian-occupied southern Iraq severely damaged Sea Island, Kuwait's primary offshore oil-loading terminal.

The Silkworm skimmed over the northern Gulf and hit the barge while it was floating one mile (about a kilometer and a half) from Sea Island, a shipping official said.

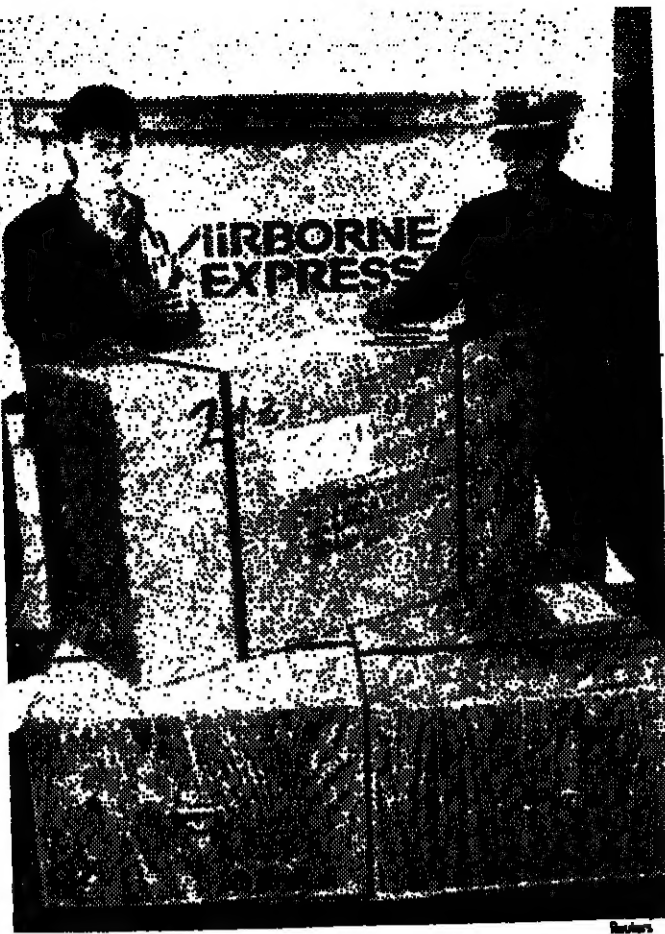
Western diplomats said the barge was one of several reflector-equipped vessels placed around Sea Island a few weeks after it was crippled by the Iranian strike.

Reflector panels mounted aboard the barges provide the radar system of the Silkworm missiles with what appears to be a large target as they approach, drawing them away from their primary target.

The attack came as the United States, which has placed 11 Kuwait oil tankers under U.S. registry and protection in the Gulf, was planning to establish a barge base in Kuwaiti waters to support its operations.

A day earlier, Iranian gunboats attacked two tankers in the southern Gulf, killing a Danish crewman aboard one and igniting a blaze aboard the second vessel.

Those attacks appeared to be in retaliation for a series of Iraqi air strikes on tankers serving Iranian coastal oil facilities in the northern Gulf.



Lieutenant Commander Gary Camp, right, taking delivery of 240 dozen cookies in Norfolk, Virginia. They were baked by Judy and John Kooz for their son John and about 225 shipmates aboard the frigate Thach in the Gulf.

Arias Says Castro's Help Is Needed on Peace Plan

The Associated Press
NEW YORK — President Oscar Arias Sanchez of Costa Rica said Monday that he would be willing to visit Havana for talks with Fidel Castro because the Cuban president's support is necessary if a plan

to bring peace to Central America is to succeed.

Mr. Arias also said at a news conference here that the support of the Soviet Union and the United States was crucial.

"If Fidel Castro doesn't help us on this, it is going to be very difficult to comply with the Guatemala accords," Mr. Arias said.

Mr. Arias, the main architect of the Guatemala peace agreement, was en route to Oslo to accept the Nobel Peace Prize for his work in drafting the accord.

Mr. Castro, he said, "has the leadership to convince the guerrillas in El Salvador to accept a ceasefire, to accept an amnesty."

Mr. Arias also appealed for a Christmas truce in Central America, calling it a key step toward a regional ceasefire.

He said the momentum the Nobel prize has given the peace process must not be squandered.

"We cannot waste this opportunity," he said. "This is one of our last chances. If we lose this momentum, it is going to be more difficult later on."

Mr. Arias and four other Central American presidents signed the peace accord in August, but so far the guerrilla conflicts in El Salvador, Nicaragua and Guatemala continue. On Friday, talks between Nicaragua's Sandinista government and U.S.-backed Contra rebels broke down.

Many Haitians Strike to Press for Elections

The Associated Press
PORT-AU-PRINCE, Haiti — Much of central Port-au-Prince was shut down Monday as stores and businesses in the Haitian capital closed in a general strike called to pressure the military-dominated junta to hold free elections.

There appeared to have been problems in communicating the hastily made strike call, but outlying factories that tried to remain open reported absenteeism of 50 to 70 percent.

Reports over Radio Metropole, the leading independent commercial station, indicated the strike was ignored in Cap-Haitien, the second-largest city. But the reports said the strike was partly successful in the towns of Saint-Marc, Hinche and Port-de-Paix, and paralyzed Gonaives, Haiti's fourth-largest city.

Truckloads of soldiers rumbled through the streets. Police and soldiers stood by at bus stops.

Four leading presidential candidates had called for the strike to protest the Nov. 29 cancellation of what would have been Haiti's first free presidential elections in three decades.

The international airport remained open, although Eastern Airlines canceled one of two Miami flights and Air Jamaica canceled its only Puerto Rico flight.

There was no official government comment on the strike.

Fred Pierre-Louis, president of the Haitian Hotel and Tourism Association and manager of the Holiday Inn in central Port-au-Prince, said although some businesses closed because of fear of damage, many closed to put pressure on the government.

"Right now, we've come to a point where such force, such savage force, has been unleashed against the Haitian people that businessmen have to protest. This is too much. It is unacceptable," he said, referring to the election-day toll of 34 persons known dead and at least 76 shot and wounded in the capital alone.

Lieutenant General Namphy has led Haiti since the Feb. 7, 1986, overthrow of President-for-Life Jean-Claude Duvalier ended 29 years of dictatorial family rule. General Namphy has promised to turn over government to an elected president on Feb. 7, 1988.

ing alliances and the United States is under fire from supporters and opponents of the military-dominated provisional government.

The government led by General Namphy is defying calls for its resignation. Civic and religious groups as well as presidential candidates are opposing its efforts to organize new elections.

At the same time, several other presidential candidates have joined the government in criticizing the civilian council charged with running the Nov. 29 election and have indicated they support the government's efforts.

"Everyone is completely de-

pressed," said one businessman. "We feel as if we have lost a child. There were such high hopes in the election."

Most of the nine civilians who tried to organize the abortive election are still in hiding. One, Pierre Labissiere, a 64-year-old lawyer, has fled to the United States.

Schools remain closed and all but one of the major radio stations — the principal source of news for most Haitians — have either been knocked off the air by attacks on their facilities or have prudently decided to temporarily suspend broadcasting.

The suit was filed in federal court in New York in 1980 against the government, the U.S. Catholic Conference and the National Conference of Catholic Bishops by nine organizations, including the Abortion Rights Mobilization, a branch of the National Organization for

U.S. Court to Get Case on Church Tax Status

United Press International
WASHINGTON — The Supreme Court said Monday that it would hear an appeal stemming from efforts to end the tax-exempt status of the Roman Catholic Church because the church engages in lobbying to end abortion.

The court will hear arguments this term in the case brought by the Catholic Church seeking review of a ruling by the 2d U.S. Circuit Court of Appeals that ordered it to turn over internal documents dealing with its anti-abortion stance.

The underlying issue in the case is whether the government should continue to grant a tax exemption to the Catholic Church amid charges the church is involved in political and lobbying activity to end abortion.

Federal law grants religious and charitable organizations tax ex-

emptions, but such exemptions are not allowed for groups involved in political activity such as lobbying.

If the exemption is lifted, the church, which has tens of thousands of entities in the United States, such as churches, schools and hospitals, would be forced to pay taxes, and contributions to the church would no longer be tax deductible.

The suit was filed in federal court in New York in 1980 against the government, the U.S. Catholic Conference and the National Conference of Catholic Bishops by nine organizations, including the Abortion Rights Mobilization, a branch of the National Organization for

Women, several abortion clinics and doctors.

Those bringing the suit charged the church has "engaged in a nationwide, persistent and regular pattern of intervening in elections" in favor of anti-abortion advocates and in opposition to those who favor the constitutionally protected right.

Marchais Re-elected in Paris

Reuters
PARIS — The leader of the French Communist Party, Georges Marchais, was re-elected for a seventh time at the end of a party congress Sunday.

Arms Controls Debated In Asia-Pacific Region

By Michael Richardson
International Herald Tribune
SINGAPORE — While countries in East Asia and the western Pacific welcome the U.S.-Soviet agreement to eliminate land-based medium-range nuclear missiles, including the Soviet SS-20s aimed at Asia, officials and experts in the region disagree in their assessments of what the next arms control measures should cover.

In a telephone interview on Monday, Andrew Mack, head of the Peace Research Center at the Australian National University, Canberra, said he believed that what he called the widespread deployment of nuclear weapons at sea gave priority to discussing restraints on the naval weapons arms build-up in the North Pacific.

"Officials in Canberra said that Australia, a U.S. ally, recently asked Washington and Moscow to begin talks on potential tensions in the area. Moscow had shown interest in the proposal, several added, but Washington was wary, fearing that U.S. and allied military interests could be damaged."

In a commentary on Friday, the official Chinese news agency, Xinhua, urged that the two superpowers "drastically cut and even completely eliminate" their long-range, or strategic, nuclear weapons and "check the arms race in space."

A spokesman for the South Korean Foreign Ministry said that South Korea was more concerned about the Soviet Union's conventional forces in Siberia which, he said, threatened his nation.

In a study of the nuclear arms race at sea published in October, the U.S. analyst William M. Arkin said that integration of nuclear weapons into the naval formations of the United States and the Soviet Union increased the likelihood that they could be used "in the course of a high-intensity conventional war."

Mr. Arkin directs the national security program at the private Institute for Policy Studies in Washington.

He said that of about 60,000 warheads in the nuclear arsenals of the United States, the Soviet Union, Britain, France and China, more than 15,000 were for naval use, and that most of these were for the U.S. and Soviet navies.

Bill Hayden, the Australian foreign minister, said in August at an international conference in Canberra on security in the North Pacific that he believed reckless behavior by major powers in the region was highly unlikely.

But there is justified consensus," he said, "that escalation involvement in, or from, a minor conflict is perhaps the most likely catalyst for war between the major powers."

He said it would be "eminently sensible" for Washington and Moscow to begin a dialogue on their security perceptions and concerns.

as the first step toward arms control in the North Pacific.

In an interview in July with the Indonesian newspaper Merdeka, Mikhail S. Gorbachev, the Soviet leader, proposed a number of measures to reduce military tensions in the North Pacific and adjacent land areas.

Bonnie S. Glaser, a specialist at the Systems Planning Corp. in Arlington, Virginia, on security relations between the United States, the Soviet Union and China, wrote in a paper delivered at the Canberra conference that Washington had reason to be skeptical of Moscow's intentions in advancing an array of arms control proposals for the Asia-Pacific region because many of them would disadvantage the United States and its allies.

Nevertheless, she said, Washington should "not reject out of hand the possibility that confidence building measures could be negotiated with the Soviet Union that enhance mutual security without damaging American political interests."

Banning N. Garrett, an analyst at Systems Planning Corp. of Soviet foreign policy, argued in another paper delivered at Canberra that Mr. Gorbachev's willingness to accept global elimination of SS-20 land-based medium-range missiles might be a sign that Moscow had reassessed its military posture in the Asia-Pacific region.

Removal of the SS-20s, he said, would reduce Soviet nuclear options against China, Japan and U.S. forces in the Pacific, although Moscow retained supersonic Backfire bombers, long-range missiles and submarines in the Soviet Far East that could launch nuclear strikes at these targets.

New Delhi Chief Returns

The Associated Press
NEW DELHI — The police chief here, Ved Marwah, returned to work Monday after a 15-day suspension ordered by Prime Minister Rajiv Gandhi because his car interfered with a Soviet motorcade. The incident occurred as Mr. Marwah was trying to reach the presidential palace ahead of Prime Minister Nikolai I. Ryzhkov.

Earlier, Joseph B. Treaster of The New York Times reported from Port-au-Prince: After Haiti's disastrous attempt at holding its first presidential election in 30 years, lines are being drawn for a new phase of political battle.

Former political rivals are form-

ing alliances and the United States is under fire from supporters and opponents of the military-dominated provisional government.

The government led by General Namphy is defying calls for its resignation. Civic and religious groups as well as presidential candidates are opposing its efforts to organize new elections.

At the same time, several other presidential candidates have joined the government in criticizing the civilian council charged with running the Nov. 29 election and have indicated they support the government's efforts.

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End the Afghan War

If Mikhail Gorbachev wants to change minds and make friends in his summit talks this week, a sure place to start is with Afghanistan. Of Soviet miscalculations since 1945, the most egregious were Nikita Khrushchev's secret deployment of offensive missiles in Cuba and Leonid Brezhnev's invasion of Afghanistan. The former brought the world to the nuclear brink in 1962; the latter thrust into Afghanistan was the first direct and massive invasion by the Red Army outside the Communist bloc. The effect has been devastating. A million Afghans, and thousands of Russians, have already died in this endless conflict which has sown plausible doubts about Soviet motives everywhere.

A pullout would show that Mr. Gorbachev is giving priority to internal reform. It would make credible his offers to work with the United States on regional peacemaking and Third World development.

In public, Mr. Gorbachev pronounces familiar boilerplate, denouncing imperialism and foreign intervention for turning Afghanistan into "a bleeding wound." But in private, Soviet officials speak differently. They know well that what happened in 1978, when a fanatic Marxist party seized power in Kabul, was a coup, not a revolution.

The ensuing purges and shoot-outs cannot be blamed on imperialism. Nor are any foreigners responsible for the occupation's kill-or-starve policies that have caused the flight of Afghanistan's 15 million inhabitants to flee the country. And the foreign meddlers who

confirmed that Afghan children were crippled by booby-trapped toys were United Nations human rights investigators.

With reason Moscow fears that if it pulls out, its Afghan loyalists will be massacred. Surely the remedy is to get imperialist leaders out of harm's way, and to make non-alignment rather than ideology the touchstone of relations with Kabul. In return, Mr. Gorbachev can reasonably ask for a cutoff in all foreign aid to Afghan guerrillas, as set forth in the UN-sponsored peace plan.

That plan is silent on the critical point of who should run an interim regime. A coalition dominated by Islamic fundamentalists clamors to be the authentic voice of the Afghan people, a claim supported by Pakistan. Are they right? It would be arrogant for foreigners to presume to know who truly speaks for an occupied nation. Afghanistan is divided by tribe, language and geography; exiles who have served earlier regimes have yet to be heard from; the views of actual fighters and their commanders are hardly known. Under an all-party interim regime, Afghans could settle their own affairs.

All but two elements of an agreement are already on the table. The missing pieces are Soviet willingness to accept an interim regime not dominated by its clients. With those ingredients, it finally would be possible to glimpse the end of an ugly nightmare. It is a prize worth pursuing.

—THE NEW YORK TIMES

Two Demonstrations

Two demonstrations for Soviet Jews took place on Sunday. The difference between them illustrates not merely the gap separating the free American system from the Soviet police state but also one part of the human rights policy that Mikhail Gorbachev brings to Washington for the summit meeting with President Reagan.

On the Mall in Washington, several hundred thousand Americans gathered peacefully, in one of the largest demonstrations and the first mass Jewish demonstration ever held in Washington, to urge summit attention to the demand for Soviet Jews to leave if they choose or to live in dignity if they do not. The metropolitan police were in evidence as the crowd streamed in good humor past the exhibition of Soviet life that is running in the Commerce Department auditorium on Constitution Avenue, but the officers had nothing to do but lounge in the sun.

In Moscow a few hours earlier, a summit demonstration planned by some dozens of Soviet Jews had been cruelly overwhelmed by several hundred KGB plainclothes heav-

ies and by members of the Soviet Peace Committee who, in a gesture that would not have been lost on George Orwell, used their anti-SOVIET placards as weapons against the Jews. (The Soviet summit team includes a Soviet Peace Committee representative, by the way.) American journalists trying to cover the Moscow demonstration were roughed up, and one — Peter Arnett of Cable News Network — was detained for four hours. The police were, as is the Soviet custom in these situations, on the side of the lawbreakers.

Many people, hearing of the ugly official show of force in Moscow against citizens acting peacefully and legally, may wonder how it fits with the positive mood that Mr. Gorbachev supposedly wants to set for the summit and with his much-touted policy of glasnost. The answer would appear to be that it is important to him to show the steel in Soviet policy and that glasnost does not mean at all that the Soviet Union intends to copy the ways of a free society. It is better that Americans have no illusions on this score.

—THE WASHINGTON POST

Sail Forward Instead

To win a world-class race, every yachtman needs a fast boat first and a shrewd lawyer second. Michael Fay, a New Zealand banker, has put the second first and persuaded New York state's supreme court to make the San Diego Yacht Club race soon against his un-built boat for the America's Cup. Mr. Fay's insistence on returning to large, pre-1938 style boats would be a step back from the exciting spectacle in which San Diego retook the cup from Australia last January.

The big J-class sloops required crews of 30 and were usable only in match racing. They disappeared after World War II when British and American yachtmen agreed that future cup competition should permit smaller "12-meter" yachts.

These smaller yachts are not all the same. Designers may favor length, breadth or other characteristics in exchange for penalties in other dimensions. The 12-meter formula has stimulated imaginative design, and 11-man crews have displayed the teamwork that was required by sophisticated racing tactics. While J-boat races had been two-nation contests, in 1987 six

nations challenged Australia in 12-meters. Mr. Fay's lawyer discovered that the New York courts did not order the switch to 12-meters. They merely made it permissible, whenever challengers and defenders agreed. He argues, at this time, that returning to the larger boats will stimulate design ingenuity and that San Diego is delaying unfairly. San Diego lawyers will surely find in the basic documents ways in which their clients can hinder Mr. Fay, just as his lawyer hindered them by calling for the races in 1988 instead of 1991. Without an agreement, the likely result is inferior racing and fewer international entries.

Lacking international supervision, cup competition has been stained by bitter arguments. Lovers of this sport, and sportsmen in general, hope that Mr. Fay will not let his lawyer navigate for him but will negotiate a satisfactory 12-meter agreement with the San Diego club. Lovers of tradition would like to restore the obsolescent glory of the J-boats, but these belong in a nautical parade of past beauty, not in modern tests of inventive design and team seamanship.

—THE NEW YORK TIMES

Other Comment

Failure in Copenhagen

European Community summits have gradually come to be regarded by the public as cynical excuses for brinkmanship by politicians who play national games with expensive but infinitely little of the idealism and the excitement which once inspired debate about direction of the Community. The mood is, however, in part a reflection of the genuine difficulties encountered when 12 independent nations attempt to reach agreements which limit their sovereignty.

—The Independent (London).

Europe and Arms Control

The missing partner at the Washington summit, Western Europe, has cause to view the proceedings with a mixture of hope and apprehension. Any cuts in the short-range and battlefield nuclear weapons stationed in West Germany, or in those carried on American aircraft in Europe, or any suggestion of a dismantling of the French and British nuclear deterrents should be strongly resisted by Western Europe as long as the massive conventional imbalance between NATO and Warsaw Pact forces continues.

Hope for Indochina

The first formal encounter between the two opposing sides in Cambodia has finished with unexpected success.

Prince Sihanouk and Hun Sen, prime minister of the Vietnamese-backed regime in Phnom Penh, gave a definite undertaking to meet again at the same place near Paris in January. They also published a joint communiqué which set a framework for something so unfamiliar as to stretch credibility: an eventual settlement in Cambodia and peace in Indochina.

—The Times (London).

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OPINION

The INF Treaty Doesn't Make the World Much Safer

By Jonathan Schell
This is the first of two articles.

WASHINGTON — If all goes as planned, President Reagan and General Secretary Gorbachev will sign an agreement banning short- and medium-range nuclear-armed missiles from Europe. The question naturally arises whether the world will then be a safer place.

To answer this question, we would need a definition of where, in the nuclear age, safety lies. What, in other words, is the goal of arms talks? Is it the elimination of nuclear weapons? The elimination of offensive nuclear weapons? The elimination of all armaments? A continued balance of terror, but at a lower level of armaments, or with a different combination of forces, or with the addition of safety measures?

As we lack any shared answer to these questions, and without a shared answer becomes all but impossible to secure. Arms control proceeds, but without any consistent or broadly accepted theoretical guidance.

An argument in favor of the treaty is that cuts in nuclear arms are good in themselves. Much is made of the fact that the INF accord will be the first in history that actually imposes reductions. Certainly the number of warheads to be removed from Europe — 1,500 on the Soviet side and 350 on the U.S. side — is impressive; in themselves those warheads constitute an arsenal sufficient for a full-scale nuclear war.

Unfortunately, far more impressive is the number of weapons that will be left after the reductions have been carried out — more than 48,000, or enough for roughly 26 nuclear wars of the size of the one to be eliminated from Europe. Seen against this mountain of nuclear weaponry, the agreement emerges as a very slight downward adjustment in the amount of overkill. In itself it does effectively nothing to reduce the destructiveness of a possible nuclear war.

Even if the agreement fails to appreciably reduce the destructiveness of a possible war, might it not at least reduce the likelihood of one — might it not still, that is, add to "stability"? This question plunges us into one of the most specialized and arcane debates in the field of nuclear theory: How should the United States deploy its military forces so as best to demonstrate its resolve to defend Europe?

To simplify greatly: Opponents of the treaty argue that America, by removing its nuclear-armed missiles from Europe, would dangerously signal a loss of resolve, thereby inviting the Soviets to exploit presumed conventional superiority in the region and launch an attack.

Defenders of the treaty observe that thousands of American warheads will remain deployed in Europe and that the nearly five-to-one ratio in America's favor in the reduction offers an opportunity not to be missed. They add that

any decent agreement improves the political atmosphere, and that this, too, adds to stability.

All that the ordinary person listening to these arguments can conclude is that if the agreement adds to or detracts from stability, it does not seem to be by much, and that if the worth of the treaty had to be measured by this standard it probably would not be very important.

There remains the possibility that the agreement itself might constitute a "step" toward some distant point of safety to be reached farther down the road of arms control. The definition of a goal, however, is the task of nuclear doctrine, and on doctrinal matters the differences — not only between the Reagan administration and outsiders but between officials of the administration — is wider than it has been at any time since the late 1940s.

It has not always been so. As recently as in the early 1970s, when the SALT-1 treaty was negotiated, signed and ratified, a consensus prevailed in favor of the doctrine of deterrence, according to which the two superpowers sup-

posedly prevented each other from launching nuclear war by displaying the ability and the resolve to launch an annihilating attack in return. That system sought not to dismantle the machinery of annihilation but rather to find the source of safety there, through the establishment and formalization of the well-known "balance of terror." The hope was that possession of the weapons could serve to prevent their use.

The doctrine offered comprehensive and specific guidance for arms control talks. It held out a hope for an answer to that slipperiest of questions: How much is enough? Enough was enough to annihilate the society of the other side in the retaliatory strike. (Secretary of Defense Robert McNamara once calculated this amount to be 400 megatons of explosive power — equivalent of some 300,000 Hiroshima-size weapons.)

The doctrine also offered guidance regarding stability. Stability lay in rendering weapons invulnerable (the better to carry out their retaliatory blow) and in leaving populations vulnerable (the better to assure each side that its retaliation

would be successful.) On the whole, defense weapons were judged destabilizing.

Defenses of population were destabilizing because they reduced the effectiveness of the threat of retaliation; defenses of nuclear arms were destabilizing because they led the other side to increase its offensive arms, which would lead the first side to do the same, and so on — sending the arms race into an upward spiral that had no theoretical stopping place.

But if deterrence offered the promise of an upper limit on nuclear arms, which one day might be written into a treaty, it also specified a lower limit beneath which nuclear arms must not sink. If the safety in the system depended on the terror it produced, then the terror must not be reduced below a certain point. That point was precisely the point at which societies might start to be safe from immediate nuclear destruction.

If preventing the use of the weapons depended on possessing them, then to rid the world of them entirely — to abolish them — would be one of the most dangerous things possible.

The writer, author of "The Fate of the Earth," contributed this comment to The Washington Post.

As the Numbers Shrink, the Need for Flexibility Increases

By Tom Wicker

NEW YORK — As Mikhail Gorbachev descends on Washington, both sides seem optimistic about moving beyond arms control.

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based force of 50 MX missiles, with 10 warheads each, and 200 Minuteman-3s, with three warheads each, would require 1,100 more. That would leave around 3,600 warheads for U.S. submarines.

If, however, the Reagan administration insists on testing 12 rather than eight warheads on the Trident-2 submarine missile, each sub would be counted as carrying nearly 300 warheads. The three authors calculated that that would mean the United States could deploy no more than 12 such vessels (a total of 3,600 warheads), of which only about eight normally could be at sea.

They warned that technology that is developing would soon permit Soviet submarines, submerged close to U.S. shores, to destroy the 250 land-based missiles, as well as U.S. bombers, in a matter of minutes. Under the proposed allocation of warheads, that would mean that the entire U.S. "survivable strategic deterrent" would be con-

centrated in eight or so submarines.

The eight Tridents' 2,400 warheads might seem a sufficient deterrent to such an attack; but the Scowcroft group contended the eight submarines constituted "very few baskets" in which to put all of America's retaliatory eggs, with more than 100 Soviet nuclear attack submarines threatening them.

They argued, further, that the administration was making the situation worse by trying to ban mobile strategic missiles on both sides, by dragging its feet in developing the Midgetman. Their point seems obvious: If the U.S. land-based deterrent consisted mostly of mobile, single-warhead Midgetmen, it would present a less tempting, more difficult target for Soviet missiles, whether from submarines or elsewhere.

Similarly, it seems only common sense to spread out the sea-based deterrent in more submarines with fewer warheads each, thus making it harder for the Russians to find and destroy them.

The New York Times.

Gorbachev Is Stuck With 'Cohabitation' Soviet-Style

By Alex Alexiev

LOS ANGELES — Three weeks ago, Moscow television ran a play by Fyodor Burlatski, a well-known Soviet publicist, that immediately became a political event. It detailed the conflict between a bright and energetic provincial Communist Party leader impatient to implement reforms and a gruff official in charge of ideology who, while not opposed to reform, advocated a cautious and conservative approach.

Politically astute Soviet viewers could not fail to see the fictional account as mirroring the widely rumored discord at the top of the Soviet party between General Secretary Mikhail Gorbachev and the number two man, Yegor Ligachev. To make sure that his message was not missed, Mr. Burlatski, a fervent supporter of Mr. Gorbachev, had the ideological use phrases taken almost verbatim from Mr. Ligachev's speeches. The play, a barely disguised plea for support of Mr. Gorbachev, ended inconclusively, with neither man able to prevail.

But a few days ago Mr. Ligachev provided a real-life sequel that bordered on a sensation. In an interview with Michel Tatu, renowned Sovietologist at Le Monde in Paris, he asserted that the Politburo had instructed him to assert the Secretariat of the party and "organize its work."

It is the Secretariat, not the Politburo, that runs the day-to-day affairs of the Soviet Commu-

nist Party. To the extent that the chairmanship has always been the prerogative of the general secretary, as well as the source of much of his power, Mr. Ligachev's statement would, if true, mean a significant weakening of Mr. Gorbachev's control. A general secretary who does not control the Secretariat is not in complete control.

Mr. Ligachev stated that Mr. Gorbachev is consulted and kept fully informed of his actions, and that there are no political differences between the two. Still, the situation is unprecedented. People other than the party boss have often run the Secretariat in his absence, but they were invariably senior lieutenants and not perceived adversaries, as in this case. Further, such substitution has always been a temporary expedient and not, as Mr. Ligachev now seems to be implying, a permanent arrangement.

Recent events in the Soviet Union have cast a cloud on Mr. Gorbachev's domestic standing. His problem seems to be that in his reformist zeal, he has already stepped on too many entrenched party toes without being able to deliver much on his promise. Opposition to his methods, if not his objectives, crystallized in October.

The first interview was an unusual out-of-rum

Central Committee plenum that resulted in significant backtracking from expected positions in his speech honoring the October Revolution. Next came the political lynching — orchestrated by Mr. Ligachev — of Boris Yeltsin, Mr. Gorbachev's protégé and an ardent champion of glasnost and perestroika. Mr. Yeltsin's only real sin was his impatience with the pace of reform and with party deadwood. Several days later a Pravda article entitled "Democratization and Discipline" seemed to indirectly criticize Mr. Gorbachev and stressed time and again the primacy of discipline over glasnost and democratization.

The logical explanation of Mr. Ligachev's bold assertions is that Mr. Gorbachev has been forced to share power with him. Domestically this would signal a slowing down of reform and a reining in of some of the powerful liberalization impulses unleashed by glasnost.

Coming only days before the summit, Mr. Ligachev's remarks have undercut Mr. Gorbachev's prestige in such a way that Mr. Ligachev would surely be fired if he did not have the clout to back them up. If he is not, the man President Reagan faces across the table this week has lost much stature since their last meeting.

The writer, a Los Angeles-based Soviet affairs analyst, contributed this to the Los Angeles Times.

Nitze on the Treaty: No to a Time-Out

By Paul H. Nitze

The writer is special assistant to President Reagan and Secretary of State George Shultz on arms control matters.

Does the treaty have important ambiguities or loopholes or provisions that otherwise might lend themselves to future debates about meaning and interpretation? The INF treaty is necessarily long and complex, and contains a great many provisions. There is no way all future contingencies can be anticipated.

That is why all arms-control treaties include provision for future consultations for the purpose of clearing up any differences that may arise. Is there an effective on-site inspection regime for suspect facilities? Yes, not a perfect one but an effective one. A perfect regime would require any time, anywhere, instantaneous, on-site inspection with no right of refusal by the inspected side. As Mr. Gaffney knows, the administration took a hard look at this type of regime over the past year and determined, for the purposes of this agreement, that it would be unnecessary, as well as detrimental to security interests, to give Soviet inspectors such unlimited access to the most secure U.S. facilities.

So U.S. negotiators sought and achieved short-notice, on-site inspection of former INF deployment and support facilities, continuous monitoring of the exits of the facility that

was used to assemble SS-20s and special measures to enhance the U.S. ability to monitor with reconnaissance satellites bases where illegal activity could most easily be conducted. If illegal activity is suspected, the United States can challenge the Soviets in the Special Verification Commission created by the treaty.

Does this mean that the Soviets cannot hide an INF missile somewhere on their territory? No. But they cannot test such missiles, train troops in their operation or maintain the basing infrastructure necessary to support them, all of which the United States would detect with high probability. Without these, the Soviets could not maintain a militarily significant capability. That is the definition of effective verification.

A final point. Mr. Gaffney charges that the administration is endangering its efforts because of time pressure created by an arbitrary deadline. In fact, the verification regime results from carefully considered U.S. proposals that were fully studied within the U.S. government and negotiated with the Soviets. The significant movement made on verification during the past few weeks consisted of Soviet acceptance of a U.S. plan for close-out inspections, Soviet acceptance of a U.S. quota for short-notice, on-site inspections and Soviet agreement to a U.S. proposed method of monitoring their former SS-20 final-assembly facility.

The Washington Post.

laxation of Soviet curbs on human rights. About 200 political and religious prisoners have been released this year in the Soviet Union. Members of some divided families have been allowed to go abroad. There have been Soviet-American discussions on reversing laws like the provision in the criminal code of the Russian Federal Republic that allows persons to be jailed for political activities.

But mild progress in these discussions slowed down during the past three or four months and Washington does not know why. Perhaps progress in reforms has provoked increased resistance by the Soviet bureaucracy.

On the regional questions, Moscow may be reflecting on the degree to which it has overextended its military reach. There will be new talks this month on ending the Angolan civil war. Moscow evidently has granted permission to the Lusitanian government to negotiate with U.S.-backed rebels.

Mr. Gorbachev takes great interest in economics. He has arranged to talk with leading U.S. businessmen. He clearly hopes to avoid a disagreeable choice any time soon between encouraging the consumer industry and funding the military industry. He probably has about two years to decide on this. The Russians seem to be

excluded from most-favored-nation treatment, which China receives; regard this as "discrimination."

The INF treaty will not essentially change the existing military balance save perhaps in Asia, because Soviet medium-range missiles aimed at Japan and China are to be destroyed.

Whatever occurs in the next few days, it now appears virtually certain that this summit will be followed by another in Moscow next spring, featuring a strategic arms treaty.

The final phase in the present blueprint for disarmament talks will be with conventional forces, in which the Soviet Union has a large advantage in Europe. The United States and its allies want to persuade if Soviet Union to agree to new talks on this — superseding the long-stalled Vienna negotiations on mutual balanced force reductions.

The dramatic summit opening he was provoked by a combination of U.S. desires for eased tensions and more peace, plus Mr. Gorbachev's desire to gain space to breathe. No body should suffer if he succeeds.

The writer, a retired foreign correspondent and columnist of The New York Times, contributed this comment to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1887: Arming Belgium

BRUSSELS — The question of the annexation for the fortification of the Meuse was raised today (Dec. 7) in the Chamber. Mr. Naeyen, Deputy for Liège, protested against the action of the government which, for fifteen years past, has been ordering all its artillery from Krupp's. He proposed that the contracts should in future be given to native manufacturers, in the interest of Belgian industry and national independence, and pointed out the danger of ordering cannon from the very country against which they were to be pointed. The Minister of War promised to do all he could to favor Belgian industry. He declared, however, that heavier artillery should be manufactured abroad.

1912: Against Corsets

NEW YORK — The American suffragist leader, Mrs. Carrie Chapman Catt, is urging suffragists to burn their hats, to discard corsets and to

wear trousers instead of short skirts. She says that in contrast to Chinese women, American women are also as helpless as babies in their subjection to their clothes. "The money I used to spend on millinery," she says, "we can give to the cause of 'Vote for Women.' We would be accepting nothing into good in the world and for our sex, especially."

1937: Chiang Flies Out

SHANGHAI — Marshal Chiang Kai-shek, Chinese generalissimo and former head of the Chinese government, fled by airplane from Nanking today (Dec. 7). His departure was to confirm reports current here yesterday that the Chinese general has decided to abandon the defense of the capital, whose fall is expected at any moment. The city is also surrounded by 200,000 Japanese troops, who are waiting for orders to advance. Most of the Chinese military chiefs also have left Nanking; all available military planes.

هكازمن النهر

OPINION

The Shorter the Trajectory, 'The Deader the Germans'

By George F. Will

WASHINGTON — "Do you know how to spot an article by Jaurès?" said Clemenceau of a leading Socialist. "Very simple. All the verbs are in the future tense." Socialists, certain that history is on their side, take the long view. Mikhail Gorbachev certainly does, as he starts just the sort of summit he wants. It is focused on the antiseptic arithmetic of arms control, which suggests moral symmetry between two "powers" equally responsible for equal endangerment. The arms control occurs exactly where Mr. Gorbachev wants, not with conventional forces, where Soviet advantages are enormous, but with nuclear

NATO. The key to that is Germany. The Soviet alliance certainly value the INF agreement primarily as a long-term stimulus to German neutralism. By forcing reliance on battlefield nuclear weapons, the agreement makes Germany the confined arena of a nuclear war. Some West German leaders say, "The shorter-ranged the missiles, the deadlier the Germans."

The agreement will sharpen the thrust that its conservative supporters hoped it would slake: the thirst for more arms control in Europe. Indeed, Ronald Reagan calls it a "first step" toward a de-nuclearized world starting with Europe. The rejection of deterrence with nuclear weapons has a curiously mixed U.S. constituency. James Woolsey, a distinguished strategic analyst and a Democrat, notes that the 1980s have produced a "double envelopment" by the left and the right — by Iowa "peace caucuses" and by the Reagan White House — in stigmatizing nuclear weapons as immoral. The left construes Mr. Gorbachev's glasnost as a sudden and wholesale change of heart by the Soviet ruling class. The right relies on an American reflex, a faith in a technological deus ex machina, SDI, to make nuclear weapons "obsolete."

Both sides, says Mr. Woolsey, seem to believe that nuclear weapons are not instruments of state power, dangerous because they are possessed by a dangerous state, but rather that they are analogous to a virus against which the superpowers can collaboratively inoculate themselves. To the extent that the INF agreement accelerates denuclearization, it will restore the bad old days, making Europe safe again for conventional war.

A possibly positive feature of the agreement is Soviet acceptance of asymmetrical reductions. That is, it will be positive in the unlikely event that the Soviets allow the principle to be extended to conventional forces. But even if so, cuts in conventional forces could be problematic. Soviet forces moved east of the Urals could be returned quickly; U.S. forces moved to North Carolina could not be returned without large logistical and larger political problems.

A European speaking about the notion of moving from nuclear to conventional deterrence says: "A thousand years of European history teaches us one thing: Conventional deterrence does not work."

Mr. Woolsey says that the INF agreement may be "a small step, militarily, and a rather larger step, philosophically, back toward the troubled millennium of warring European states that ended in 1945." This is a result of what could become a calamitous asymmetry: The Soviets want victories; Americans want agreements. Or as Jean Kirkpatrick has said, they are playing to win and we want to get out of the game.

Washington Post Writers Group

A step 'back toward the troubled millennium of warring European states that ended in 1945.'

systems which, on the U.S. side, were deployed to counter those advantages. The "zero-zero" agreement will have zero effect on the momentum of the Soviet nuclear buildup (up 8,000 warheads since SALT-I was signed in 1972). The agreement will require destruction of the number of SS-20 missiles (replaceable by new SS-25s, which are not covered by the INF agreement) that the Soviets say they have. Senate hearings on the agreement will test the candor of U.S. intelligence officials concerning their ability even to count SS-20s.

The hearings will also test whether the Senate's appetite for minute scrutiny of foreign policy extends to occasions when the scrutiny may compel conclusions incompatible with the public's indiscriminating admiration of arms control agreements.

George Bush is doing well, if not necessarily good, by loyally making the two main arguments for the agreement, one of which is that European leaders praise it publicly, so it must be prudent. But even if the first clause were true, the proposition would be a non sequitur. Actually, Europeans express serious anxieties privately.

The second argument is that the agreement has a numerical asymmetry favoring the United States, so it must be good. That is a non sequitur. An agreement is good only if it enhances the stability of deterrence, including deterrence of the political exploitation of military advantages. The INF agreement fails that test for the following reasons: The Soviets are chess players, patient and thinking many moves ahead. Their supreme goal is the dismemberment of

BITE THE BULLET



Hugs at the Elbe, Hopes at the Summit

By Marc Fisher

WASHINGTON — Andrei Paras-taev, first secretary to the Soviet ambassador, turned away from the stiff wind Sunday on 16th Street outside the embassy gates, faced the Americans and issued the verdict: "Twelve. Twelve only. Please, not one more."

The official spoke to a group of Soviet

MEANWHILE

and U.S. World War II veterans, men who had fallen into one another's embraces at war's end, men who had guzzled schnapps and traded wristwatches and medals in the celebrations of victory over the Nazis at the River Elbe in Germany on a spring day in 1945. But this was not a group that would accept an arbitrary rule, not when they had traveled from Ohio and California and Moscow and Minsk to be reunited with their friends of four decades.

So moments later, Mr. Parastaev led the way as the entire delegation, 15 Americans and three Soviets, climbed the embassy's staircase, passing beneath a portrait of Lenin and on into a reception with Ambassador Yuri Dubinin. On short notice, the organizers of the Kansas-based Elbe Alliance had set up the reunion. Everywhere they go, the knot of white-haired men — a retired neurosurgeon, a psychologist, a book-seller and their friends, a school principal from Minsk and a professor of engineering from Moscow — carry copies of a famous Life magazine photograph.

It shows two beaming soldiers, Bill Robertson and Alexander Silvaschko, locked for the first time in an embrace made clumsy by excitement. "Thirty years went by without doing

that," Mr. Robertson said. "And in the past few years we've done it thousands and thousands of times." Mr. Silvaschko roars with joy each time he does it.

On that April morning in 1945, Lieutenant Robertson crossed a bridge over the Elbe at Torgau with his patrol. The Soviet troops 500 yards (500 meters) beyond began to fire, even after the Americans raised a Stars and Stripes fashioned from a bed sheet.

"They fired at us for an hour," Mr. Robertson said. "We later found out that the Germans had played a trick on them two days earlier. Some SS men making a last stand had waved an American flag, then shot down the Russians who had eagerly come out to the river." Only by bringing forward a liberated Russian prisoner to show the truth did the U.S. side get the Soviets to believe them. But the ensuing ecstasy was short-lived. Within weeks, fences were erected and anti-fraternization rules imposed.

The men of the Elbe had no further contact until 1955. And that first reunion was dangerous for the Americans, who risked the suspicion of being pro-Communist for traveling to Moscow at the height of the Cold War. Since then the veterans have met several times. But the current summit, with all its hope for peace, is the most emotional reunion yet, several said.

"When I see surveys showing that half of young Americans think we fought against the Soviets, I know we have to get our message of the Elbe across to a new generation," Mr. Robertson said.

While the Soviet government routinely celebrates the Elbe as a symbol of friendship between the two countries, the veterans say the United States has been reluctant to help. "We've never received anything from the American administration in the way of support," said Mark Scott, co-founder of the Elbe Alliance. "I don't think they know what to do with us, with all this history and the passions that are still alive."

The session with the Soviet ambassador was heavy on emotion. Standing before a copy of the Life magazine photo, Mr. Dubinin watched Mr. Robertson and Mr. Silvaschko re-enact the pose and said, "Just as in '45, I was a boy, but I remember the meeting very well. How was it, this very first meeting?"

With that, the old allies turned from the coffee and cookies and broke through the language of diplomacy, telling their stories as if for the first time. They roared over the memories of the schnapps that had appeared from nowhere. They relived the back-slapping, the pin exchanges and the sudden ability to communicate without words.

When they were ushered out, past a booth manned by a Soviet soldier and past an office where aides were watching Secretary of State George Shultz on television discussing nuclear weapons, the veterans embraced again. "This is all about hope," Mr. Robertson said. "Hope is important for a man."

The Washington Post

LETTERS TO THE EDITOR

U.S. Leaders Must Learn What Trade Means in the Real World

In response to "How to Sell Continental Breakfast" by Jim Hoagland (Nov. 23):

Jim Hoagland's column stopped me one step from the edge of despair as to the ability of supposedly informed Americans to assess why they are losing the competition in international trade. Mr. Hoagland has hit on many of the reasons why the United States is no longer able to compete with Japan, West Germany or other trading nations.

Yes, the rules have changed. More importantly, the game has changed. It is truly an international, not an American, game. The United States keeps refusing to accept that, despite all the evidence to the contrary. On the one hand, it is revealed that Soviet submarines can be made better with Japanese computers. On the other, there is no recognition in the United States that international commercial choices, even in high technology such as putting satellites into orbit.

U.S. congressmen legislate as though they were elected to decide on the pre-

rogatives of other countries. Once the United States could use its power to do that, but that time has passed. American leaders just don't realize it.

U.S. politicians believe that trade is a weapon to reward friends and punish enemies. (That was one of the underlying principles of the Iran affair, wasn't it?) Congress legislates against embargoes as though they were unjustifiable and yet the United States is the world's champion at trade sanctions.

The United States devises new embargoes to please congressional heroes and to show how tough America is when others are unwilling to play by U.S. rules. But who loses first and foremost when trade is corrupted? U.S. businesses, U.S. workers and their families.

The refusal of Congress a few years ago to sell U.S. aircraft to Saudi Arabia led to a Saudi purchase from Britain that approaches \$8 billion. Instead of a U.S. product, the Saudis got one of Europe's most advanced strike planes, the Tornados. So the Israelis now face deadlier weapons with no restrictions as to their

use, and American factories and workers have lost \$8 billion in trade.

The root of such losses is an inability to deal with the real world and a predilection to reward or punish with products — not to sell them. As simple as it should be, U.S. leaders cannot understand that buyers prefer to buy from people who just want to sell without passing judgment on the buyers, their politics or their life-styles. A cheap dollar has not and will not change that.

The key to trade is in fact the competition's single-mindedness of which Mr. Hoagland speaks. But American leaders are lacking in that, and it is readily apparent to the competition, which merely waits for America to distract itself again. The Japanese, Germans and Swiss keep the United States talking and chasing gangsters and international bank accounts while they sell nearly everything the world consumer needs.

With the 1977 Foreign Corrupt Practices Act in the United States (part of the never-ending arrogance to dictate what is legal or not in other lands), trade sanctions, taxation of U.S. citizens abroad, a maze-like export bureaucracy, governmental and press exposures of trade secrets, American companies are more afraid than not to compete abroad.

As a trade and financial adviser to international corporations, I have lost track of how many times senior American executives have told me they prefer to lose business to foreign competition than to risk allegations of breaking the myriad U.S. laws that govern how they may market and what they may sell. Their legal advisers paralyze them with counsels to stay out of trouble — which becomes their key personal objective in most overseas trade competitions. Only the most daring go all out to win.

on his breakfast tray? Could it have been the good old American Herald Trib?

FRANCIS M.S. PEEL, Webster University, Geneva.

How to change an ocean of red ink into black? Simple. Offer tax reductions to companies that increase the ratio of exports to total sales each year.

WILLIAM PASSIGLI, Tenero, Switzerland.

Your reports suggest this epitaph for Reaganomics: It's mourning in America. MORTON FUNER, St. Tropez, France.

It's Not All That Bad

Jim Hoagland is not at his best at 7 A.M. in a Berlin hotel room.

Were those by any chance American sheets Mr. Hoagland climbed out of? And was he perhaps in an American hotel? He probably had a Visa or American Express credit card or traveler's checks in his pocket. And he may have flown to Berlin in a U.S.-made plane.

Other readers have pointed out ("About a Recent Column," Nov. 26) that those multilingual Malted Shreddies were American-conceived if not American-born. And what was the newspaper

bags / luggage / leather goods

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THE WASHINGTON SUMMIT: Americans, in a poll, say the Soviet Union is still a threat to the United States.

Gorbachev in the U.K.: Gesture to Europeans

By Joseph Fitchett
International Herald Tribune

PARIS — In stopping in Britain for talks with Prime Minister Margaret Thatcher en route to the Washington summit meeting, Mikhail S. Gorbachev displayed his diplomatic finesse and insight into European affairs, diplomats said Monday.

In visiting Mrs. Thatcher, Mr. Gorbachev showed he was more

interested in speaking to a formidable Western politician with links to President Ronald Reagan than to a strongly European-minded leader.

Mr. Gorbachev pocketed a dividend when Mrs. Thatcher wrote last week to Mr. Reagan urging him to accept some constraints on planned space-based missile defenses to clear the way for cuts in strategic nuclear arms.

Mrs. Thatcher was expected to remind Mr. Gorbachev of European security concerns. European commentators lamented Monday Europe's lack of unity, which has deprived them of a significant voice in the accord banning intermediate-range missiles in Europe. The treaty is to be signed Tuesday in Washington.

Mrs. Thatcher will "most definitely not" be acting as an official spokesman for the European Community, The Independent newspaper in London editorialized.

Diplomats said that, to warm up for talks with Mr. Reagan that begin Tuesday, Mr. Gorbachev is primarily interested in similarities of policy and ideology that the two Western leaders share.

"Talking to Mrs. Thatcher is often like sparring with a stand-in for Reagan," a French official said.

Mrs. Thatcher could become a direct negotiator with Mr. Gorbachev if the superpowers were to reduce their arsenals of strategic missiles enough so that attention turned to cutting the nuclear deterrents of Britain and France.

"France and Britain," said Henry A. Kissinger, the former U.S. secretary of state, "are bound to come under pressure to cut or at least modify their nuclear forces as progress is made toward deep cuts in the strategic forces of the superpowers."

President François Mitterrand of France has an invitation to hold talks with Mr. Gorbachev. Yegor K. Ligachev, the second most powerful figure in the Kremlin, publicly reaffirmed last week the Soviet interest in such a meeting.

"Mr. Gorbachev does not need to weigh in personally in West Germany," a French diplomat said. "He has the lever of East Germany and many West Germans' passion for arms control working for him."



Raisa Gorbachev during a visit to a school Monday at Carterton, near London.

Views of Russia Shifting, But Ignorance Remains

By Richard Morin
Washington Post Service

WASHINGTON — Americans believe that the Soviet Union remains a serious threat to the United States, and they fear that the nation is losing ground to the Soviets in world affairs, according to a Washington Post-ABC News poll.

The attitudes revealed in the poll, which was conducted last week, suggested a shifting view of the Soviets, underlined by the perception that U.S.-Soviet relations are generally good and will get better.

But the poll also found that despite the Soviet policy of glasnost, or openness, there is much Americans do not know about U.S.-Soviet relations.

Only a third of those surveyed knew that the two countries were allies in World War II. Slightly more than half said they had read or heard anything about the proposed treaty between the two countries to limit medium- and shorter-range nuclear missiles in Europe, the primary reason for the Washington summit meeting this week.

The survey of 1,007 adults found that three of five Americans considered the Soviet Union to be a serious threat, three in 10 called it a minor threat and one in 12 said it was "no threat at all."

Almost two-thirds of those questioned said the Soviet Union had been catching up to the United States in terms of world influence. But 79 percent said the United States still had more influence. Americans consider relations be-

tween the two superpowers to be generally good. Fifty-five percent of respondents said U.S.-Soviet relations were good, and 2 percent called them excellent; but 36 percent rated relations as not so good, and 7 percent said they were poor.

Forty-nine percent said they expected U.S.-Soviet relations to improve, while only 12 percent said they would get worse and 38 percent expected little change.

Support for the missile treaty is broad, the survey disclosed. Fifty-two percent of those surveyed said they favored the agreement, 8 percent were opposed and 40 percent had no opinion.

Summit Schedule

United Press International

WASHINGTON — Major events during the meeting between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev (all times GMT).

Tuesday, Dec. 8

1500: Mr. Reagan greets Mr. Gorbachev at the White House.

1530: The two leaders hold their first talks.

1830-1845: Mr. Reagan and Mr. Gorbachev sign the missile treaty.

1935: The second Reagan-Gorbachev session begins.

2400: The Reagans hold a White House dinner for the Gorbachevs.

Wednesday, Dec. 9

1400: Mr. Gorbachev meets congressional leaders.

1530: The third Reagan-Gorbachev session begins.

1630: Raisa Gorbachev gets a White House tour.

1800: Secretary of State George P. Shultz holds a luncheon for Mr. Gorbachev.

2400: The Gorbachevs hold a Soviet Embassy dinner for the Reagans.

Thursday, Dec. 10

1400: Vice President George Bush holds a breakfast for Mr. Gorbachev.

1530: The fourth Reagan-Gorbachev session begins.

1700: Mr. Reagan and Mr. Gorbachev have lunch together.

1900: A White House departure ceremony begins.

Afternoon — Mr. Gorbachev holds a news conference.

0100: Mr. Gorbachev departs.

0200: Mr. Reagan addresses the American people.

2 Nations To Exchange Old Masters

New York Times Service

WASHINGTON — The Soviet Union and the United States have announced an exchange of art masterpieces timed for the summit meeting, a Titan being lent to the National Gallery here and an El Greco to be lent to the Hermitage Museum in Leningrad.

The Titan painting, "St. Sebastian," on loan from the Hermitage, went on display Sunday and will remain in Washington through early 1988, said J. Carter Brown, the director of the National Gallery.

According to the gallery, Titan depicted St. Sebastian's martyrdom "to make a statement about the dignity of humankind and its capacity to endure suffering." St. Sebastian is shown with three arrows in his torso and two more in his left arm. The painting is one of Titan's greatest works.

In exchange for the Titan, the National Gallery will lend El Greco's "Laocoon" in time for the Hermitage's 225th anniversary in 1989. During the summit meeting, it will be on display in Washington with the Titan painting.

Like the Titan, the work by El Greco touches on the theme of human suffering, according to the gallery. The painting shows Laocoon and his two sons being killed by two great serpents that had been sent by Apollo to punish him, partly for warning the Trojans against the wooden horse left by the Greeks.

U.K.'s 'Greenham Women' Vow to Stay On

By Howell Raines
New York Times Service

NEWBURY, England — At this time of year, the east wind looms across Greenham Common Air Base and bites like a wolf. The women in the peace camps stick close to their fire, brewing tea in blackened kettles, warming their anger at predictions that their movement will wither away once President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, sign a treaty banning medium- and shorter-range nuclear missiles.

"Maybe they're just hoping we're going to go now," said Jane, a pale young woman who, following the protesters' protocol, declines to use her last name.

"A lot of people will say about us, 'Why are they still there?' But until it's ratified, we're going to stay. That means a couple of years more or five years more."

Jane is one of a cheerless group of about 25 women still living in the four primitive tent camps that were set up in 1981, when plans were announced to put U.S.-made land-based cruise missiles at Greenham.

In the heyday of the British anti-nuclear movement, hundreds of people sometimes occupied a half-dozen camps, and up to 30,000 gathered around the base's outer fence to demonstrate against the presence of U.S. arms and troops. By the time the 96 missiles arrived in 1983, the "Greenham women" were known internationally.

Now, like other elements of Britain's disarmament movement, they are trying to cope with the changed situation in which their nemesis, Mr. Reagan, appears to be headed for a leading role.

The Greenham women — along with their supporters in a network called Cruise Watch and Britain's main peace group, the 250,000-member Campaign for Nuclear Disarmament — are struggling to combat the idea that the agreement to be signed Tuesday will vindicate the view that arms treaties with Moscow can be achieved only by "negotiating from strength," as Mr. Reagan and Prime Minister Margaret Thatcher have said.

Mr. Gorbachev is a popular figure among the campers, but the idea that Mr. Reagan may get a share of the credit seems to add to the growing frustration of a grumpy, frigid hand-to-mouth existence of a movement nearing its tag end.

So a number of campers have adopted the audacious argument that Mr. Reagan decided to bargain away cruise missiles because of the women's sporadic success in blocking the convoys carrying the mobile missiles. This, they say, persuaded the Americans that the entire system was impractical.

"It's a victory and we think it's because of our work," said Janet Tanver, who has been camping at Yellow Gate for a year.

Another sign of frustration is the war that has broken out between the peace camps. A militant group that wants to broaden the protests to include issues of racial and sexual discrimination has taken over the main camp at Yellow Gate.

But the Yellow Gate campers are "not authentic Greenham Women," said Rebecca Johnson, a London spokeswoman for the "authentic" campers at Orange Gate, Blue Gate and Wood Gate.

The Yellow Gate group says the old-timers are mired in middle-class values and slip away

from the tents when winter sets in. "Come back in January and they won't be here," said Jane Robertson, as she dipped candles beside a fire.

Such dead-end feuds and dwindling numbers have made Greenham a sideshow to the dispute that the treaty on intermediate missiles provoked between the government on the one side and the Campaign for Nuclear Disarmament and the Labor Party on the other.

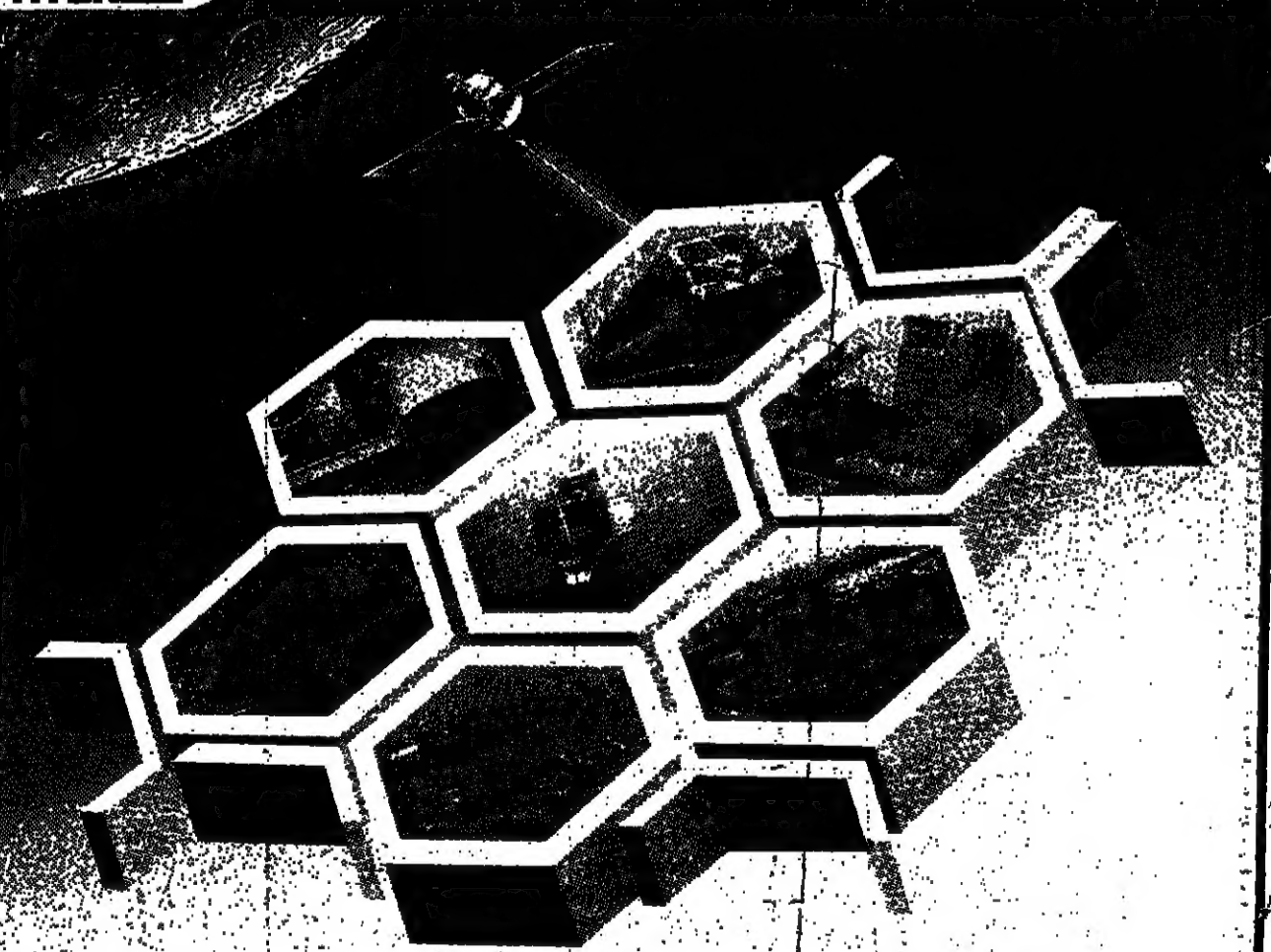
Mrs. Thatcher's defense secretary, George Younger, said the disarmament group and Labor "should be hanging their heads in embarrassment" because their advocacy of unilateral disarmament actually encouraged the Soviet Union to delay negotiations.

But the Campaign for Nuclear Disarmament argues that it created the tide of public opinion to which Mr. Reagan and Mr. Gorbachev responded.

The Labor Party is trying an even trickier maneuver in claiming the treaty as a product of its "nonnuclear defense policy" while trying to shed the "unilateralist" label that hurt it in the June election.

Meanwhile, at Greenham, most of the campers vow to stay to make sure the missiles are dismantled within the three-year period specified by the treaty. They cite distrust of Mr. Reagan as their reason, but some of the younger women, who live on unemployment payments and the daily hot meal brought in by support groups, suggest that they really have no place to go.

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THE NUCLEAR FORCE TREATY: Days after the pact takes effect, Russians will launch unarmed missiles to destroy them.

For Both Sides, Spectacular Mass Destruction of Weapons Poses Sensitive Problems

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The impact of the U.S.-Soviet treaty eliminating intermediate-range nuclear forces, to be signed here Tuesday by President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev, will probably be felt first at a military base in the city of Kapustin Yar, where the Soviet Union launched its first ballistic missile 40 years ago.

One of the treaty's most unorthodox provisions will unfold at the base, 660 miles (900 kilometers) southeast of Moscow, within a few days after the pact takes effect.

At that time, the Russians will begin launching unarmed SS-12 and SS-20 missiles eastward virtually around-the-clock, just to get rid of them.

Similar launchings of unarmed U.S. Pershing-2 missiles from Cape Canaveral, Florida, eastward over the Atlantic are contemplated by the United States if studies show this the cheapest, safest way to destroy the \$6 million rockets within the treaty's three-year deadline.

The 2,800 U.S. and Soviet missiles to be destroyed under the treaty are only a fraction of those in the countries' nuclear arsenals. However, no previous arms agreement has called for destruction of so many weapons in such a brief period.

Every U.S. and Soviet land-based missile with a range of 300 to 3,400 miles (500 to 5,500 kilometers) will be eliminated under the treaty, including Soviet SS-4, SS-12, SS-20 and SS-23 missiles, and U.S. Pershing-1a, Pershing-2 and Tomahawk cruise missiles, most of which were produced and deployed within the last decade.

None of the Soviet missiles are aimed at the United

States. All are pointed at U.S. allies and China. All of the U.S. arms governed by the pact are aimed at the Soviet Union.

To swiftly wipe out whole categories of medium-range and shorter-range missiles under the treaty's elaborate requirements, both sides will take novel steps and encounter odd headaches.

For example, they will face environmental challenges in burning tons of highly toxic rocket propellant. They will have to arrange for disassembly of perhaps 2,000 nuclear warheads and missile guidance mechanisms, and return the radioactive materials to weapons plants or nuclear reactors. And they will have to build special housing for military inspectors to be stationed outside highly sensitive military facilities in both countries for 13 years.

It took six years of halting, fitful superpower negotiations to produce the treaty, 31 pages of legalistic text.

In an unprecedented burst of candor, the two sides have also provided spare descriptions of every site where intermediate-range nuclear weapons are produced, assembled, maintained, stored, maneuvered for training, and deployed.

Included are sites in at least eight U.S. states, as well as eight European countries and at least four Soviet republics, newly subject to intrusive inspections.

Together with treaty provisions allowing dozens of inspections annually, the detailed disclosure of sensitive military data is widely considered one of the treaty's most significant accomplishments.

It runs counter to a decades-old U.S. policy of refusing to acknowledge or disclose the presence of American nuclear weapons anywhere in the world. It also breached a

Soviet policy that, according to one negotiator, called for anyone who supplied such data to be shot for committing treason.

The disclosures were necessary in order to establish on-site inspection procedures that would eliminate the risk of militarily significant cheating. Concerns about cheating

Both sides will face environmental challenges in burning highly toxic rocket propellant and disposing of materials in warheads.

were particularly high because all but a few types of the missiles can be trucked from one site to another to avoid detection.

The chief U.S. arms negotiator, Max M. Kampelman, said Friday, "You have to ask yourself — will they cheat? And our conclusion was they can cheat and you assume they will. It won't hurt us. And so we say under those circumstances, we recommend this treaty."

Instead of airtight procedures for verifying Soviet compliance, a goal conservatives have long espoused, the treaty's procedures make cheating difficult, but not impossible. Instead of ruling out any risk of the slightest Soviet violation, the treaty aims to block only militarily significant cheating.

One to three months after the ratification of the treaty, teams of inspectors will visit every site listed in the treaty's

100-page "memorandum of understanding," or appendix, to verify its accuracy.

U.S. officials said both sides viewed these preliminary inspections apprehensively, causing each to delay the exchange of certain data.

In recent weeks, the Defense Department moved items covered by the treaty away from one highly sensitive facility, so that facility would not be listed and inspected by the Russians. U.S. intelligence officials said the Russians dismantled some facilities for intermediate-range nuclear forces and moved missiles to new locations.

With initial inspections completed, each country will officially declare where its missiles are to be eliminated. The likely U.S. sites are army bases in Pueblo, Colorado, and Tootle, Utah, where the rockets would be burned in specially designed pits.

Alternatively, the two sides could strap the missiles down and ignite the propellant. But experts said these techniques may create too much air pollution.

The treaty allows up to 100 rockets to be destroyed by launchings from test sites. But all launchings must be completed within 60 days after the treaty takes effect, and no more than four missiles can be launched per day.

U.S. negotiators persuaded the Russians to eliminate all shorter-range missiles, those with ranges of 300 to 600 miles (500 to 970 kilometers) within 18 months, and to eliminate all but 180 deployed medium-range missiles within two years. Otherwise, each side is free to pursue its own schedule.

At the end of the three-year period for eliminating missiles, launchers and support facilities, each side has the right to conduct an additional inspection of the missile

bases, factories, storage sites and training areas to ensure that the other has met its obligations.

In the meantime, each country is allowed to send inspection teams to 20 missile bases and related facilities annually to ensure that dismantling is proceeding according to promise.

If the inspection is conducted on Soviet territory by the United States, for example, the team will first be sent to Moscow or Irkutsk with measuring devices, radiation detectors and special dual-lens cameras that instantly produce two identical prints — one for the Soviets and one for the Americans. At least two of the 10 inspection team members must speak Russian.

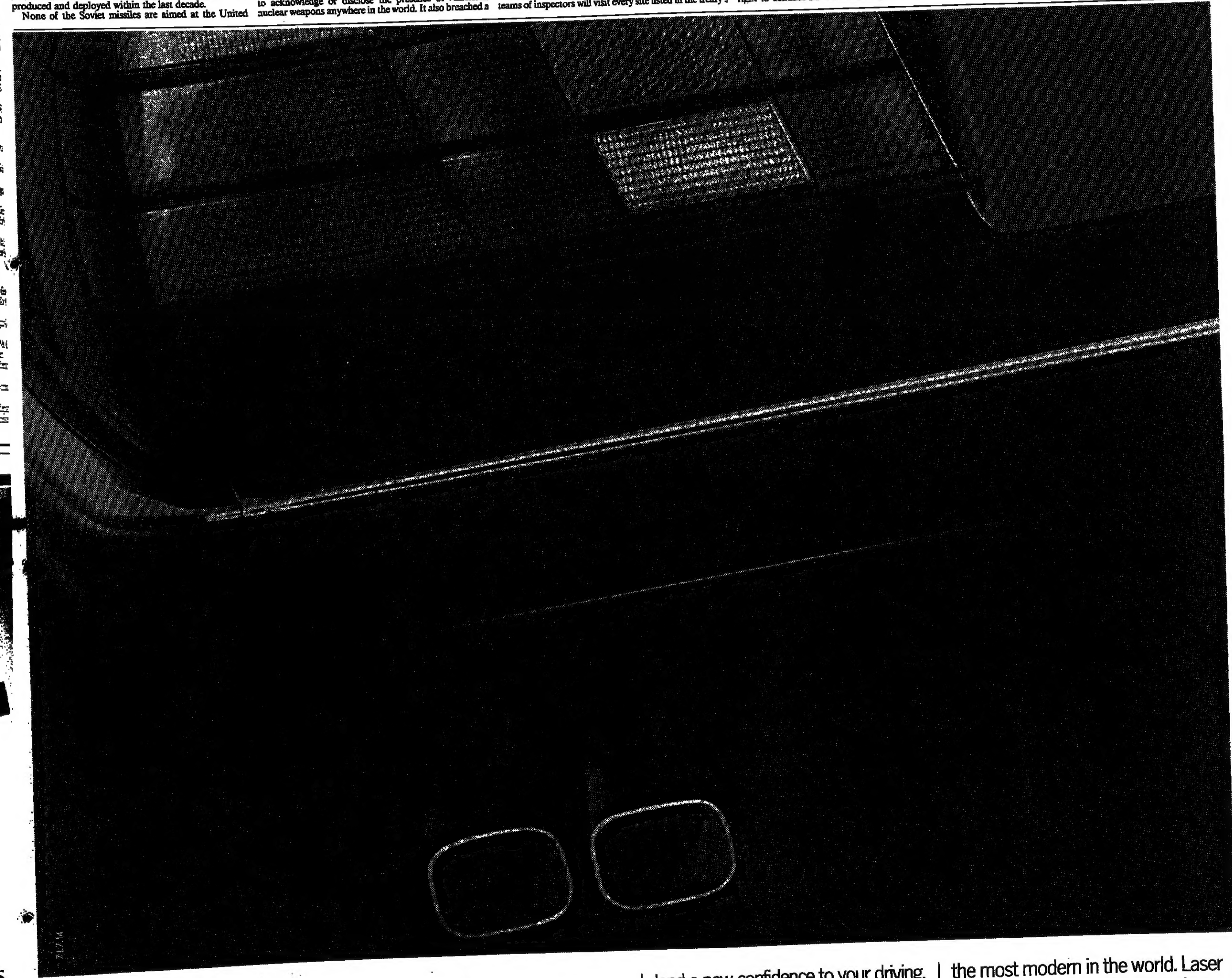
The Soviets are permitted to inspect the equipment to ensure it has no hidden espionage capabilities. They must then arrange transportation within nine hours to any site the team identifies, weather permitting.

Once at the site, the Russians take the pictures, but must photograph whatever the U.S. side demands. Soviet inspections on U.S. territory are governed by identical rules.

If an apparent Soviet violation is detected at a site outside the treaty terms, the administration has little recourse but to call a meeting of the Special Verification Commission, established by the treaty to resolve U.S. and Soviet compliance concerns.

Pentagon officials resisted establishing the commission because of its similarity to another U.S.-Soviet group, known as the Standing Consultative Commission, established by the 1972 Anti-Ballistic Missile Treaty.

The administration has resisted using confidential meetings of this commission to resolve disputes, preferring instead to make public allegations of Soviet cheating.



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Vanna White: Good, Clean, Profitable Fun



Vanna White on "Wheel of Fortune."

NEW YORK — "WHEEL OF FORTUNE!" Every evening, at 7:30, to the sound of hundreds screaming, "Wheel of Fortune," an estimated 43 million Americans watch what Newsweek recently called "the highest-rated syndicated series in television history."

According to "60 Minutes," which recently did a segment on the "Wheel," this show has changed televi-

HEBE DORSEY

son viewing habits all over the United States. For instance, the fact that CBS News comes just before the "Wheel" has pushed up the ratings of anchorman Don Rather. Similar shows, under license, are being aired in France and Italy, and licensing rights have been sold in West Germany, with a show there expected for next year.

The annual production cost of this Los Angeles-based show is, according to Newsweek, \$7 million; annual gross revenue is \$120 million. Merv Griffin, who invented this game, as well as the show "Jeopardy," sold both of them to Coca-Cola for \$250 million.

So, what does this show, which is downright simplistic, have to offer? First, a bundle of goodies that can add up to \$250,000 in a single evening. "LOOK AT

THIS STUDIO, FULL OF GLAMOROUS MERCHANDISE!" Pat Sajak, the master of ceremonies intones. And indeed, as the set goes around and around, one can spot anything and everything, from garden furniture to tickets for a trip to the Bahamas. Some of it, including lamps and settees, is frankly awful but this is not a show for the rich and famous. The contestants have names like Melinda, John or Brooke and they come from all over the United States, including Kalamazoo and Santa Fe. Before the show, they are asked a few questions — activities, hobbies — and it's a smooth performance because, in this highly professional show, they have gone through a test of their ability to solve puzzles beforehand.

When the audience shows signs of tiring of barbed-wire and the like, the hosts promptly switch to cash. Incentives are a \$2,500 or \$5,000 bonus added to the wheel, sort of impromptu. The jackpot — \$25,000 in cash — goes to the one of the three contestants who has won the most that evening. The winner has a choice between cash or items such as a \$10,000 mink coat, a \$50,000 Mercedes, a Porsche, a Jaguar, even His and Hers cars.

The basis of the show is a big roulette wheel that the contestants spin; they then try to guess the solution of the puzzle on a giant board whose letters are turned by Vanna White. There, we come to the piece de resistance, White, 29 and a gorgeous, perfect 10.

White is a former cheerleader from South Carolina who happens to have bewitching curves in the right places and stands on siletto heels. White also has cut, Yorkshire-terrier blond hair, a fetching smile and a little twinkle in her eyes that tells you not to take all this too seriously. To many, there is a kind of cheerful innocence about her that makes her the girl next door. Yet, every night, she appears in a different, highly sexy outfit, some of which are really dreadful. But on Vanna, "OH! VANNAL!" as Sajak greets her every evening — everything looks gorgeous. As Morley Safer, the commentator of "60 Minutes," said: "Men look at her body; women look at her clothes." Billboards on New York buses ask: "What is Vanna going to wear tonight?" President Ronald Reagan mentioned her in one of his recent speeches. She's become the United States' darling and Pat Sajak quips that, "in 15 years, everybody will be named Vanna."

Vanna has done very well for herself. Besides life-size posters and a six-figure salary, she has created a line of clothes — distributed by, among others, Bloomingdale's — and she rates \$30,000 for personal appearances. She has also published a book, "Vanna Speaks" (she never opens her mouth during the show except to say "Bye-bye"), which sold 100,000 copies. A Nobel Prize winner it is not.

Only three years ago, nobody would touch the show. Griffin produced it, then two brothers, Roger and

Michael King, who used to function from an office and telephone above a barbershop in New Jersey, asked for the distribution rights.

"We offered the show to everybody. Nobody would even listen to us," they told "60 Minutes." Now the show brings in millions of dollars and the King brothers have been catapulted from New Jersey anonymity to Hollywood fame.

The mystifying thing is that nobody, not even Griffin, can tell why the show is so successful. "If I could, I'd be the president of CBS," said Safer on "60 Minutes." For Newsweek, "the 'Wheel' is more than a game show. It's an electronic shopping mall."

For "60 Minutes," the show is a case of "the bland leading the bland." Indeed, Sajak, the co-host of the show, is an amiable, former weatherman who admits quite candidly: "I'm not paid to be a wit-cracker. I'm a pretty inoffensive guy. Blandness comes naturally to me. By nature, I'm a nice fellow and I have sympathy for these people."

White is puzzled too. "I don't know how to describe it. I was just the girl who turned the letters. All this recognition, I don't understand what it is."

If one wants to look for sociological reasons, "60 Minutes" may have the answer: "The reason may be no reason," Safer said. "The truth is Americans like to look at other Americans having fun in a way that doesn't hurt anybody."

New York's New Rainbow Room

By Dennis Hevesi

NEW YORK — If Joseph Baum's fantasy is fulfilled, lovely ladies in long gowns will step onto the maître d'hôtel's terrace, pause for a modest moment, place a hand on the burnished brass handrail with its lead-crystal balusters, and then, on the arm of an escort, flow down the stairs.

Before them, as the dance floor slowly turns beneath a crystal teardrop chandelier, other beauties and their beaux will swirl to "Isn't It Romantic?"

All about the room, like music-box figurines on the tiers of a wedding cake, waiters in pastel-shaded tails will flambé with great flourish for diners seated at tables laced with silver lamé.

If all that does not suffice, Baum might give the signal so that blue, green, red and amber lights within the dome above the dance floor will begin to play.

And then, the Rainbow Room — for decades an elegant icon of New York City in the 1930s — will really be reopened.

"We want it unabashedly theatrical," said Baum, the manager of the newly resplendent supper club on the 65th floor of the RCA Building at Rockefeller Center.

It may turn out quite like that on Dec. 29, when the Rainbow Room, with its wraparound view of New York's shimmering night skyline, opens to the public after two years of refurbishing.

There will be dress rehearsals this week when, on Wednesday and

Thursday nights, David Rockefeller is the host of parties for 800 guests.

For many New Yorkers, it will be a chance to remember. "It has marked the rites of passage for so many generations," Baum said. Not to mention that the Rainbow Room has always been, as he put it, "one of the great settings for people-watching."

For there in the crowd, if only on opening night in October 1934, mingled the likes of Noël Coward, Elsa Maxwell and Cole Porter.

But over the years, the room, though always an example of tasteful American Modernism, had become a trifle tattered. And so, two years ago, the Rockefeller Group, which owns Rockefeller Center, set aside \$20 million to return the room to its former glory and to remodel the complex of dining rooms and lounges on the 64th and 65th floors at 30 Rockefeller Plaza.

The design work was done by the architect Hugh Hardy. Through his renderings, Hardy said, he has sought to maintain the spirit of Rockefeller Center. American Modernism, he said, is a style "typified by highly stylized geometric abstraction; the notion of getting down to the underlying order of things."

Throughout the remodeled lounges and suites — other than the Rainbow Room — Hardy has incorporated bold patterns in deep-seated carpeting, hand-crafted cabinetry and paneling of inlaid woods, layered mirror-and-glass ceilings, etched-glass friezes, terrazzo floors and subtly recessed lighting designs.

While all that is new, the Rainbow Room retains the full figure of its former self. From the maple and fumed-oak mosaic in the middle of the dance floor, the room radiates into dining terraces and, then, in an upward sweep of floor-to-ceiling mirror and glass, seems to draw in all the lights of New York at night. The Empire State Building, to the south, looms like an outsider peering through the window.

Little has changed over the decades, even though a previous remodeling during the 1950s. But everything has been primped and polished to perfection.

"Layers of old fabric have been stripped from the walls," said Peter Spiegel, site manager for the project's contractor, the Tishman Corp. "Now the walls are covered with Italian silk in submerge — an almost iridescent shade of deep, purplish brown."

The windows have been draped with "scallop Austrian blinds," Spiegel said, to be lowered when the weather is too moody for the festivities inside.

health, was unable to travel to Washington. The White House has been occupied with preparations for this week's summit meeting, and as if to make that point, Ilek Mukhammedov and Lyudmila Semenyak, dancers from the Bolshoi Ballet in Moscow, performed in the gala.

In the presentation ceremonies in the East Room of the White House, Reagan noted that Bette Davis had recently completed her 100th motion picture, "The Whales of August," and had been praised for her performance in The New York Times. "Since getting this job, I've found out just how difficult it is to get a good notice from The New York Times," he quipped.

The master of ceremonies of the gala for the award recipients was the television news broadcaster Walter Cronkite. Those perform-

Gala Fêtes Kennedy Center Winners

By Irvin Molotsky

WASHINGTON — The presence of the actress Bette Davis at the White House Sunday evening gave President Ronald Reagan an opportunity to repeat a favorite line.

"If I had gotten roles as good as yours and been able to do them as good as you did," he said, "I never would have left Hollywood."

Davis, 79, was on hand for a weekend of activities surrounding the awarding of the Kennedy Center Honors to her, the singer Perry Como, the singer and dancer Sammy Davis Jr., the violinist Nathan Milstein and the choreographer Alvin Nikolais.

In addition, a surprise tribute was paid at a gala to the composer Irving Berlin, who is nearing his 100th birthday. Berlin, in failing

health, was unable to travel to Washington.

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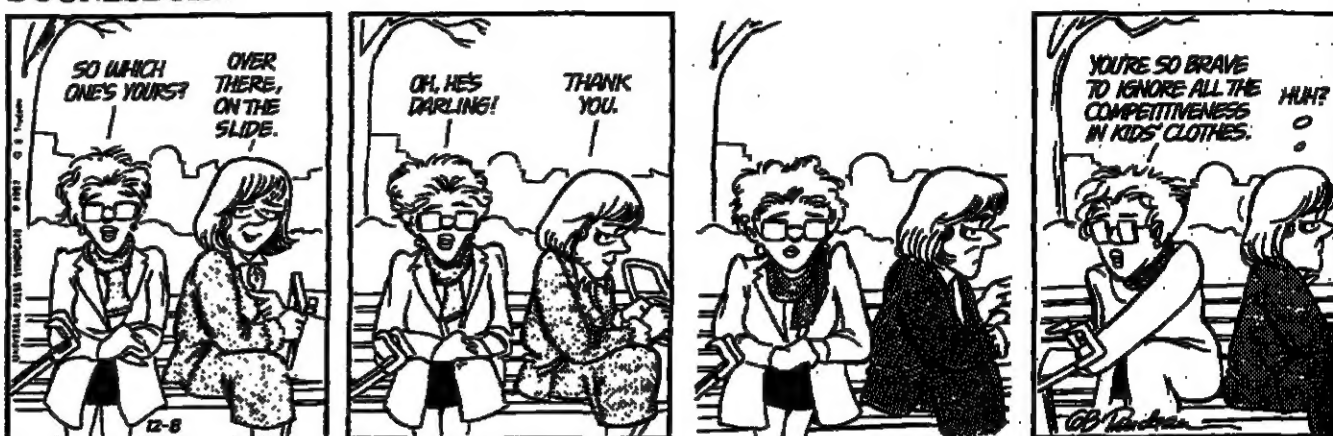
ing or speaking included Lucille Ball, Ray Charles, Fuchsia Zuckerman, Angela Lansbury, Jessica Tandy, Hume Cronyn, Don Ameche, Diahann Carroll, Vic Damone, Joseph Papp, Jacques D'Amboise, Rosemary Clooney and Joe Williams.

Because the tribute to Berlin was kept secret until the last minute, it allowed for a rousing finale of Berlin songs, with Reagan and his wife, Nancy, in the presidential box, joining the audience in singing.

Nikolais seemed to be enchanted. "I'm in 77th heaven," he said, "because I was 77 two days ago, and this is an extra occasion."

Milstein, 83, expressed his reluctance to try to sum up his feelings in a few words. Como, 75, summed up with self-consciousness: "This is the darnedest thing I've ever seen. It's wonderful."

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France F.F.	1,500	41	820	36	450	29
Germany D.M.	580	41	320	35	175	29
Gr. Britain £	130	40	72	34	40	27
Greece Dr.	22,000	45	12,000	40	6,600	34
Ireland Ir£	150	45	82	40	45	34
Italy Lit.	380,000	42	210,000	36	115,000	30
Luxembourg L.Fr.	11,500	37	6,300	31	3,400	25
Netherlands Fl.	650	40	360	34	198	27
Norway (post) N.Kr.	1,800	38	990	32	540	26
Norway (nd. del.) N.Kr.	2,300	21	1,270	13	700	4
Portugal Esc.	22,000	52	12,000	47	6,600	42
Spain (post) Ptas.	29,000	41	16,000	35	8,800	28
Spain (nd. del.) Ptas.	42,000	15	21,000	15	10,500	15
Sweden (post) S.Kr.	1,800	38	990	32	540	26
Sweden (nd. del.) S.Kr.	2,300	21	1,270	13	700	4
Switzerland S.Fr.	510	44	280	38	154	32
Rest of Europe, N. Africa, former Fr. Africa, Middle East \$	430	Varies by country	230	Varies by country	125	Varies by country
Rest of Africa, Gulf States, Asia \$	580	Varies by country	320	Varies by country	175	Varies by country

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Living Abroad

In France, Don't Bank on Trouble-Free Checking

By Sherry Buchanan

INTERNATIONAL HERALD TRIBUNE
Despite recent moves to liberalize them, French banking regulations governing nonresident accounts in foreign currencies are exceptionally strict, and a bounced check can lead to cancellation of the account.

Some foreigners, accustomed to negotiating with their banks at home when an overdraft occurs, often do not fully understand French banking rules — or take them seriously — until it's too late.

And, according to Pierre-Henri Tibi of the Association Française des Banques, some bank employees often do not adequately explain the rules to foreign clients.

"The information about what you can and cannot do when you have a nonresident account is not well communicated to the customer," Mr. Tibi said. "Although the rules for nonresident accounts are a lot simpler than they were a year and a half ago, they still change all the time."

Since Prime Minister Jacques Chirac was elected in March 1986, France has liberalized many of the controls regulating nonresident accounts in foreign currencies.

For example, holders of such accounts can now borrow money from their bank to buy a house or a

car, transactions that were difficult before.

They can also deposit French franc checks up to 10,000 francs (\$1,780) each. Previously, to control any illegal export of French capital through nonresident ac-

counts, the only franc-denominated checks nonresidents could deposit were their paychecks. But although the authorities are becoming more flexible, it remains illegal for banks in France to cover overdrafts of clients with nonresident accounts.

By law, foreigners must hold nonresident accounts during the first two years they are in France. Brenda Harper, an executive with Morgan Guaranty in Paris, said, "If you bounce a check on a nonresident account then you might not be able to have a checking account in France for whatever period the bank decides upon."

Holders of nonresident accounts

who rely for a part of their income on funds wired from foreign banks are the most likely to be overdrawn. The overdraft can occur when funds are not credited quickly to a French account.

William Fisher, Paris correspondent for Screen International, the London-based entertainment industry magazine, bounced a check on his nonresident account after his British bank failed to send the requested money in time.

"My French bank told me they were cutting off my checking privileges and my Carte Bleue for a year," Mr. Fisher said. "I had to get a letter from my London bank to prove it was the bank's mistake. It was like being in kindergarten and having to get a letter from your mother."

The bank renewed Mr. Fisher's checking privileges after he gave them the letter from his English bank.

Other persons have also suffered the consequences of temporary living without a checking account. "I can't write checks or use my Carte Bleue for a whole month. That was the last thing I needed before exams," said an executive attending a nine-month course at the European Institute of Business Administration, the international business school in Fontainebleau.

He had expected his French bank to credit his account the day he deposited his foreign check but it took 10 days.

"I guess it's like going beyond the speed limit," he said. "It's your responsibility to find out what the limit is. But I am still angry because the bank acted as if it was all powerful and was not willing to discuss the matter."

The executive said he is now using Postcheck, which is a check cashing service offered by a number of banks in Europe that allow cardholders to cash foreign bank checks in post offices throughout Europe.

Eurocheck is another cash checking service available in Europe, and American Express allows green cardholders billed in dollars to cash up to \$1,000 every two weeks and gold cardholders to cash up to \$2,000 every three weeks by writing a check on their American bank account.

Former Aide To Aquino Is Found Dead

The Associated Press

MANILA — A former Philippine finance secretary, Jaime Ongpin, who was a controversial and influential member of the Aquino cabinet until his removal in September, was found fatally shot Monday in what his son said appeared to be a suicide.

Mr. Ongpin, 49, was found dead in his office with a bullet wound in his temple, the police said. A security guard said he had heard a gunshot minutes earlier.

The police said Mr. Ongpin had a 38-caliber pistol in his hand. "My father's death is an apparent suicide," said Mr. Ongpin's eldest son, Rafael. "He had been unhappy for some time following his end of tenure from the government when he resigned."

Mr. Ongpin lost his position as finance secretary Sept. 16 in a cabinet reshuffle that followed the Aug. 28 military coup attempt against the government of President Corason C. Aquino.



Jaime Ongpin

The coup attempt elicited widespread criticism over policy differences and lack of coordination in the government.

Critics blamed Mr. Ongpin and Executive Secretary Joker Arroyo, who also was dismissed, for much of the division in the Aquino administration.

Mr. Ongpin was also criticized, along with the Central Bank governor, Jose Fernandez, over a debt rescheduling accord they signed early this year. Critics said the agreement committed the government to a repayment schedule that made it impossible to finance economic development.

Rouben Mamoulian Dies; He Directed 'Oklahoma'

The Associated Press

LOS ANGELES — Rouben Mamoulian, 90, a director who brought such classics as "Porgy and Bess" and "Oklahoma!" to Broadway and "Silk Stockings" to Hollywood, has died.

Mr. Mamoulian, the last surviving founder of the Director's Guild of America, died of natural causes at the Motion Picture and Television Hospital on Friday.

Mr. Mamoulian directed George Gershwin's musical "Porgy and Bess" on Broadway in 1935 and the hits "Oklahoma!" and "Carousel" in the 1940s.

His films included the 1932 classic "Love Me Tonight" with Maurice Chevalier and Jeanette MacDonald.

Mr. Mamoulian's last movie, "Silk Stockings" with Fred Astaire and Cyd Charisse, was made in 1957.

Other Deaths: Peter Lorenz, 64, a prominent conservative politician who was kidnapped by leftist terrorists in 1975, on Sunday of a heart attack in Berlin.

Darcy Fenderson, 61, one of Brazil's most popular modern painters of acquired immune deficiency syndrome in Rio de Janeiro.

Kurt Woess, 74, an Austrian composer, died of an apparent heart attack while conducting a rehearsal with the Dresden Philharmonic Orchestra in Dresden, East Germany.

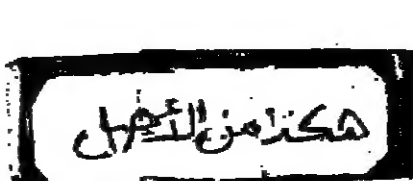
Larry Zimmerman, 97, whose lot's license was signed by Orville Wright and who was among America's oldest licensed pilots, after long illness in Cassville, Missouri.

Molly O'Day, 64, a country singer and banjo player whose mournful mountain blues style is credited with influencing the sound of modern country music, of cancer in Huntington, West Virginia.

DEATH NOTICE

MORRILL CODY.

1901-1987. Diplomat, author, journalist and gourmet. Bill Cody, long-time Paris resident died in Maryland on November 23, aged 86. Adieu Bill.



THE Mauritanian government is over half way through a three-year economic and financial recovery program (PREF) supported by the World Bank and the International Monetary Fund (IMF) and can boast that the program has already brought a major turnaround in the economy and improved Mauritania's standing in the international community.

Rigorous implementation of the reform program has been the key to this success. Since Colonel Maouiya Ould Sid'Ahmed Taya took over as head of state in December 1984, the government has backed up economic policy with disciplined action.

Among the measures that have already been taken are devaluation (the value of the national currency, the ouguiya, was reduced by 16 percent in early 1985), an increase in the cereal prices paid to farmers and a rise in interest rates. Meanwhile, moves have begun to restructure and even privatize selected companies, promote the private sector, and liberalize price controls. Underpinning them all are the inevitable cuts in government spending.

Some of these budgetary measures have been severe. With the sole exceptions of health and education, civil service recruitment has been halted. In the public sector, wages have been frozen at the 1985 level in real terms and investment has been drastically reduced.

As a result, the government has met "all the targets set in its PREF," an IMF statement said earlier this year. The actual deficit shown in 1984 has been turned into a small surplus while the overall budget

Plans are currently underway to expand the present port at Nouakchott for the fishing industry.

deficit has been reduced as a result of debt rescheduling. The fishing industry helped contribute to a healthy trade surplus and, along with further funds from abroad, dramatically improved the balance of payments situation. Inflation, which had reached nearly 20 percent by the early '80s, is now down to 7 percent.

Real economic growth is likely to be less than the 4 percent achieved last year, but 1987 should mark the third consecutive year of expansion for Mauritania's economy.

Although the level of external debt remains high, the government's determination to resolve Mauritania's economic problems has clearly won the support of the international community.

The IMF has shown its confidence by approving three successive 12-month standbys; the most recent



facility, of SDR 10 million, was approved last May.

Following each IMF standby, the Paris Club of official creditors has rescheduled Mauritania's external debt. It accorded the government particularly favorable repayment terms at

its meeting in Paris last June.

Further support has come in the form of a \$33.1 million World Bank structural adjustment loan which was agreed upon last June. The first half was released almost immediately

and the remainder is due next year. Meanwhile, the African Development Bank is considering providing a \$70 million loan for the recovery program, and France has promised to provide further funds.

In some respects the

government has been lucky. The pattern of drought which has marred recent years seems to have been broken. The annual rains (June to October) were good in most parts of the country, particularly in the narrow strip of land

along the Senegal river in the south, where most agricultural production is based.

Cereal production has substantially increased. This season's net output is expected to be about 107,000 tonnes, compared to 95,000 tonnes in 1986, 58,000 in 1985 and the disastrous 20,000 in 1984. At the same time, pasture has improved, helping to reestablish the herds of cattle, goats and sheep.

The industrial sector is beginning to pick up. The oil refinery at Nouadhibou has restarted after years of neglect. A new gas bottling plant has opened in Nouakchott. The steel manufacturing plant in Nouadhibou has also begun operations again after a break of several months.

But the recovery remains fragile because the economy is still heavily dependent on exports of iron ore and fisheries for foreign exchange earnings.

In the mining industry, there is little prospect of a major upturn in commodity prices. Copper mining at Akjoujt, due to resume

in 1987, has been postponed because of the continued low world prices. Now it seems unlikely that the mine, which ceased operations in 1978, will reopen within the next two years, although the extraction of gold from the tailings may begin next year.

The exploitation of gypsum reserves outside Nouakchott has resumed, and production of plaster in a plant outside the capital began last year.

The political situation remains delicate. At the end of October, the government announced that it had uncovered a plot to overthrow the head of state, Colonel Ould Taya. The incident is the latest indication of discontent among southern black Africans, who complain their political and economic life is dominated by the northern Moors.

And in September, the minister of finance and economy, the minister of fisheries and the governor of the central bank were suddenly dismissed from their posts. Their removal prompted a flurry of calls to world bank officials in Nouakchott asking if the government was changing policy on the economy. Since then, however, the three have been arrested in a scandal involving the granting of loans to a Mauritanian businessman without guarantees and non-declaration of foreign assets.

The government has been quick to reassure Mauritania's creditors and donors that it will maintain its policy. The current reforms are already being extended to include both the banking and fisheries sectors, while more price controls are to be lifted on a number of basic products.

SOMIS

Société Mauritanienne des Industries du Sucre

SOCIÉTÉ ÉCONOMIQUE MIXTE AU CAPITAL DE 300 MILLIONS D'OUGUIYA
SIEGE SOCIAL NOUAKCHOTT - R.I.M.
B.P. 671 Tél. 527-22 - 517-30
Télex 861 MTN
Compte BMDC 998 et 822



El Hadj Amadou Wone
Director General of SOMIS

SOMIS was created by a decision from the Council of Ministers on 2 September 1984.

A mixed investment company composed of the State as the largest shareholder, with the company SONIMEX and several private companies, SOMIS inherited the situation of the ex-SOSUMA, the former Société Mauritanienne de sucre (Mauritanian sugar company) which cost Mauritania approximately 2 thousand million 'ouguiya' (main currency) and which at the outset had assembly line faults and the factory was closed in 1976; it reopened in 1980 with Algerian collaboration who extended a credit of 10 million dollars to Mauritania.

On 2 September 1984, Mauritania decided to re-establish it as the Société des Industries du Sucre (Company of Sugar Industries) (a service company), in fact the monopoly of sugar sales belonging to SONIMEX. SOMIS carries out the conglomerate process for SONIMEX who supplies it with the raw material (crystallized sugar) and removes the conglomerated sugar.

SOMIS has had problems of a technical nature due to inexperience with the production equipment which was not a prototype and which stood for a long period without operating, subjected to bad weather, sea winds, rust, etc. Nevertheless substantial progress has been made in this area and, little by little, SOMIS is becoming fully experienced in the operation of this production equipment and is hopeful of overcoming all these difficulties over the next few years.

The task before SOMIS is to supply the home market with sugar and its capacity has been established with this goal in mind. It also hopes to be able to effect a horizontal integration in sugar production and form the cultivation of the cane up to production of the sugar in pieces. SOMIS production was decided in accordance with SONIMEX: in the year 1985 it would produce 21,000 ton. In 1986, it would produce 30,000 ton. The factory capacity is 35,000 ton which only covers the needs of the home market and the production price fluctuates between 15 and 17 'ouguiya' per kilo (1.50 FF to 1.70 FF).

SOMIS is currently involved in the following projects:

- Overcoming technical problems
- Local worker training (general mechanics — electricity — etc.)
- Technical assistance (to improve the technical skills of locals)
- The Italian company Reggiane is taking care of the maintenance and upkeep of the prototype sugar loaf production plant.

- Technical Assistance Contract with (ENA Sucre) Algeria.
- With a view to the overall economic development policy of the country, SOMIS is currently discussing the possibility of incorporating sugar cane cultivation and acquiring a sugar cube production plant as part of its future projects.

SOMIS

République Islamique de Mauritanie

الجمهورية الإسلامية الموريتانية



SONIMEX

SOCIÉTÉ NATIONALE D'IMPORTATION & D'EXPORTATION

CAPITAL: 304 million Ouguiyas

Registered Office: Avenue Bourguiba, Nouakchott-R.C. 253

P.O. Box 290 Nouakchott (R.I.M.)

Telex: 561 MTM. Telephone: 514 72 (all departments)

MAIN FEATURES

1) SONIMEX is a semi-public corporation, 62% controlled by the state of Mauritania, which enables it in conjunction with the Ministry of Public Trusteehip to negotiate advantageous international contracts e.g. rice with Thailand, tea with the People's Republic of China.

2) The purpose of the company is to provide the country with basic foodstuffs and staples (rice, tea, sugar) and, by having a monopoly on importation, to control more efficiently the purchase price and ensure a regular income from customs dues to the treasury.

3) A distribution network covering the whole country; representation in all the regional capitals (including 14 agencies) and collaboration with the Chamber of Commerce enables SONIMEX products to be made available in all places and at all times.

4) SONIMEX has a monopoly on the exportation of gum arabic; to this end and within the framework of the policy of regeneration of the gum industry adopted by the management SONIMEX is keen to support the action of the Ministry for Rural Development in the purchase of acacia trees and to encourage afforestation.

5) Controlling bodies: A Board of Administration, Governing Body and Board of Management that is experienced, conscientious and skilled in management techniques has turned SONIMEX into a model company in the national economy.



Mr. Moussa Fall, Director General, SONIMEX

MAURITANIA



Modern Capital Takes Shape

NOUAKCHOTT, the capital, keeps on growing and spreading its tentacles over monotonous miles of flat desert.

About one quarter of the country's 1.6 million people are thought to live in the city now. They come in search of work, better health and education services and food aid, particularly during the drought years. But they put a tremendous strain on the public services, which is why the government is drawing up a master plan for development of the capital. It aims to control the city's expansion in order to provide better services, including water and electricity supplies even to the shanty towns.

The city has taken on an air of prosperity over the last four years. It looks greener. The small line of trees on the main avenues

have been watered by three years of good rainfall. The herds of camels which were brought to the outskirts of the capital during the drought years have mostly been taken back to the countryside.

Construction projects are going ahead despite cuts in public investment. Work on a new power station just outside the capital is progressing steadily. Already power and water supplies have improved. There are fewer power cuts. A port, gas bottling plant and plaster plant just outside the city's boundaries have all been completed within the last year or so.

Hotel accommodation has improved dramatically. The Novotel hotel opened its doors in December last year, while the Marhaba hotel reopened in November after renovation. More restaurants have appeared around the center of the



city. Frisco is a favorite venue for foreigners. In the luxury of an air-conditioned room with green lighting and a small fountain, they can eat traditional couscous (although only on Wednesdays, Thursdays and Fridays) or international cuisine. Or they can stop off for a hamburger at Rimal on the main avenue. Efforts are now being

made to improve roads. Nouakchott now has a "périphérique," which carries traffic away from the center to the old town, the Ksar. Enormous machines are resurfacing around the main thoroughfares in the capital, to the obvious fascination of dozens of onlookers. The road south, to Rosso and across the river to neighboring Senegal, has

been repaired. Without the numerous pot-holes, the border can be reached in two hours.

Mini-buses have appeared on Nouakchott's streets over the last year, since the government opened the public transport sector to private initiative. They ply the main tarred roads of the capital alongside the old battered green

and yellow Renault taxis. Fares are cheap but there are never enough places for passengers. If you don't have your own car, you can spend hours waiting for a lift. Inevitably, the traffic has gotten worse despite the installation of new traffic lights.

Partly to resolve employees' chronic transportation problems and partly to increase efficiency, the government has changed the working day. Now, in theory, employees work from 8 to 3. Some international companies, like SNIMsem, work until 6 with a break at lunch-time so that they can stay in contact with their customers abroad.

While many aspects of daily life remain the same for men at work (far left) and women in the market (top center) there are evident signs of change such as the new minibuses (lower center) and ubiquitous Coca Cola (below).



Mauritania is less cut off from the outside world now. Since the introduction of satellite telecommunications last year, direct dialing is possible almost anywhere in the world. Ironically, the domestic telephone system doesn't work so well. And if you don't have the telephone number you want, the out-of-date telephone directory is unlikely to give a clue.

Today the beautiful, temperature-controlled wine racks at the year-old Novotel hotel in Nouakchott lie empty; they have never been used. The bar price list has been taken off the wall at the El Amanne hotel and placed behind the bar, while the champagne buckets are now used to catch drips from the air conditioners.

The import, sale and consumption of alcohol has been banned in the Islamic Republic of Mauritania since October 1986. But there are exceptions to every rule. Embassies and foreign aid workers are exempt. And in Nouadhibou, where a lot of foreigners work, particularly in the fishing industry, alcohol is readily available to non-nationals in the bars and hotels, although a whisky could cost you UM 300.

Society is changing gradually. Traditional values are being eroded by the creation of a modern state, the settling of nomads and the influence of the West.

Television plays a more important role in family life now. Many families set

tle down in front of the screen at 7. A lot of the programs are in Arabic, but a current favorite is a French cartoon on the adventures of Tom Sawyer.

Women are playing a more prominent role. There is a woman minister and two junior ministers in the government. They have broken with tradition and studied abroad prior to carving a career for themselves.

Women also dominate the market place. They travel unaccompanied to Las Palmas, Spain and elsewhere to buy their wares. A few women now wear shorter skirts and even trousers, but they are the minority. Most still prefer the traditional veils for Moors and boubous for Africans.

Some things have not changed in Mauritania. The traditional hot sweet mint tea is still drunk everywhere, though the government tried to ban the tea-making in offices because the preparation and drinking of the compulsory three glasses is time-consuming. The roads have improved, but the standard of driving remains the same. Nothing, not even military roadblocks, has stopped Mauritanian men from circling the city at night, headlights ablaze, at full speed in their cars.

And, as always in this hard but hospitable country, there remains the unshakable conviction that, come what may, God will provide.



SOCIETE MAURITANIEENNE D'ASSURANCE ET DE REASSURANCES

(Mauritanian Insurance and Reinsurance Company)

Created in 1974 with a Capital of 100 million ouguiya
S.M.A.R. is the only Mauritanian company working in the field of insurance.

It is active in all branches of insurance:

- Automobile
- Cargo transport — aviation:
- Fire and associated risks:
- Comprehensive workplace cover:
- Various workplace cover — machine breakages:
- Theft — multiple domestic indemnity
- Temporary life cover:
- Individual and collective accident

There is no denying its success in this field despite a difficult environment. In its 12 years of activity it has increased its turnover five-fold, trained high-quality technical staff, spread its commercial network to several regions of the country and strengthened its solvency margin, which broadly matches international norms.

Since February 1987 it has extended its activities into insurance for the fishing boat fleet. It is actively setting about developing its life assurance branch and computerizing its administrative system.

Besides having this role in preserving the individual and collective heritage, S.M.A.R. makes a positive contribution to the economic development of the country.

a) Directly, through its investments: the imposing building that it has had built houses its head office and that of several other national companies, while its housing estate has enabled it to house all of its officials. It also intends to construct another building in Nouadhibou (economic capital).

its interests make it a shareholder in several companies and institutions:

- The National Development Fund;
- The Nouakchott Public Transport Company;
- The AFARCO-Mauritanie Estate Agency
- The African Reinsurance Company (AFRICA-RE)

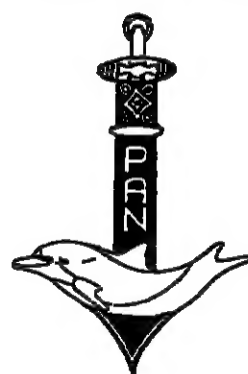
b) Indirectly as an agent of institutional savings. In 1986 its term deposits accounted for an average of 25% of all bank deposits in this category.

S.M.A.R. enjoys privileged relationships with the world's biggest insurers and reinsurers. It is a member of several regional and sub-regional professional organisations, in particular FANAF, O.A.A., U.G.A.A. and F.A.I.R.

With its qualified staff providing a quality service, S.M.A.R. can offer you security for goods and persons at home and credibility abroad.

B.P. 163 NOUAKCHOTT TELEX: 527 MTN TEL: 526.50-526.54

الجمهورية الإسلامية الموريتانية ISLAMIC REPUBLIC OF MAURITANIA



ميناء انواذيبو المستقل AUTONOMOUS PORT OF NOUADHIBOU

A large Fishing Port in some of the Best-Stocked fishing waters in the world

A Port for Fishing and Commerce



Amerould H'Maidina
Director General of the Port of Nouadhibou

Four activities are carried out in the Port:

- Handling minerals: this is run by SNIM and involves exporting iron oxides from the north of the country.
- Handling oil and petroleum products: this is run by SOMIR. It looks after the berthing of tankers which bring in crude oil to be refined in Nouadhibou.
- Fishing port activities: these are run by the Port; this involves landing the fish on the quay which is obligatory for all trawlers fishing in Mauritanian territory. Other operations cover trans-shipment and involve trawlers flying foreign flags.
- Trading port activities: these are also run by the Port and involve the reception of commercial shipping. An extension of this port is envisaged in view of the fact that traffic is growing.
- The administration of P.A.N. is to undergo reorganisation and an overall review of all its infrastructure. There is a project to set up a naval repair yard within this framework, which will make it possible to carry out repairs on the whole fleet working out of Nouadhibou.
- The redevelopment of the Baie de Repas (Bay of Rest) will cut down the congestion in the Port; in fact it will absorb the entire fleet of small boats.

Tel. (3 lines): 21-34;
22-76;
22-35.

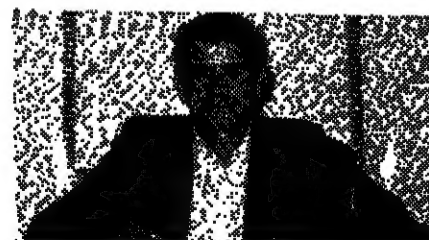
Telex: 441 MTN.

An important port for fishing and commerce, the Autonomous Port of Nouadhibou will experience intense industrial and commercial activity in the coming years.

الهيئة العامة للموانئ الموريتانية SOCIETE ARABE LIBYENNE MAURITANIEENNE D'EXPLOITATION MARITIME

LIBYAN ARAB MAURITANIAN MARINE RESOURCES COMPANY

SALIMAUREM



Salah Mohamed Arbi
Director General of Salimaurem

- This is a joint institution between Libya and Mauritania that was created within the framework of inter-arab cooperation. Its capital is US\$50 million. Mauritania and Libya each holds 50% of the stock.
- It owns four refrigerated ships, 10 deep-freeze ships, a fish storage unit and a large processing and packing unit.
- It is one of the biggest in West Africa and is currently making great strides towards achieving its objectives.
- The company is involved in processing fish and sells it to the export company (SMCP).
- Restructuring of the company has led to partial leasing of the boats and the use of a number of others.
- The storage capacity of the unit has reached 4,000 tonnes, which is significant since it is not the only one of its kind at Nouadhibou.
- The company is able to process 50 tonnes of fish daily.
- SALIMAUREM aims at having a stable and qualified workforce; it has increased its potential with foreign staff qualified in deep-sea fishing.

Boite Postale 75, Nouadhibou, Mauritanie.
Telex: 452 MTN

مكتبة النور

ADVERTISING SECTION

ADVERTISING SECTION



Major irrigation work due to be completed next year should help these farmers on the M'Pourie agricultural project in the southwest to double annual production.

Progressive Moves Benefit Farmers

THE M'Pourie agricultural farm in the southwest corner of Mauritania just outside Rosso is an impressive sight at the end of November. The farmers have not yet harvested their rice crop. Hectare upon hectare of green paddy fields, fringed with tall sorghum plants, and line upon line of canals stretch far into the distance.

M'Pourie is the only state-controlled farm in the country. It covers about 2,000 hectares, and there are plans to double the land area. The land is divided into plots which are worked by individual farmers and their families.

M'Pourie has recorded some notable successes. Development of the land has cost less than elsewhere, only about UM 2,000 (US\$26.9) a hectare, compared with UM 600,000 a hectare around Kaedi.

"The farmers have taken to growing rice, even though it is not a traditional crop here," M'Pourie's director Sidi Ould Ismail commented as he proudly

showed off the farm. But growing rice is hard work, and the farmers' feet are cracked and sore from working long hours in water.

Now that they have mastered the art, the Chinese who provided financial and technical assistance to set up the farm nearly 20 years ago are gradually withdrawing. The number of experts will be cut from 14 to only four next year.

Nothing goes to waste at M'Pourie. The farm keeps over 100 cattle and feeds them on the waste from the paddy rice, the flour which is left when the rice is polished. The cattle are fattened and sold to the meat marketing board for slaughter.

There have been problems. An estimated one-third of the rice crop is lost every year through pest damage, mostly by birds. "They fly over from Senegal during the day and return there at night. But what can we do?" Sidi asks. The farmers have tried putting scarecrows in the fields, but they find it more

effective to stand there themselves clapping their hands.

And productivity is low. "A farmer usually grows between four and six tonnes a hectare, but farmers at M'Pourie have been growing only between three and three and a half tonnes a hectare," Sidi says. There is less incentive for them to grow more because they get paid the same, regardless of the amount they produce.

Despite these difficulties, the farm is now so well established that the government plans to withdraw its direct involvement. The land will be distributed to the farmers, while the local branch of the Union Mauritanienne des Banques de Développement will take responsibility for extending

the necessary credits to buy seeds, fertilizers and tractors. The farm management will retain only an advisory role.

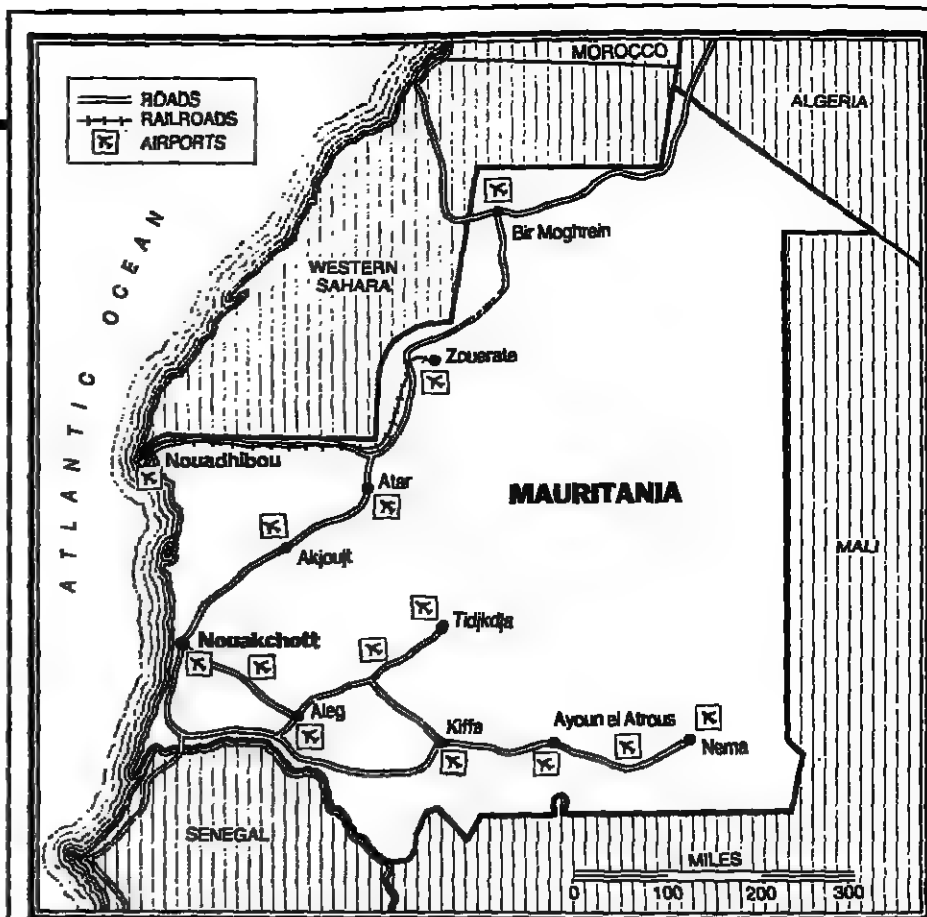
The government's main emphasis on irrigated agriculture, which in practical terms means rice production, is explained by the unpredictable annual rainfall. Even in a bad year, rice production was not seriously affected.

Among major irrigation projects now nearing completion, the Senegal river development organization (OMVS) has been jointly undertaken with Mali and Senegal. The project involves constructing two dams on the Senegal river: the Diama dam (completed last year) at the mouth of the river and the Manantali dam upstream in Mali.

For the farmers at M'Pourie, the Manantali dam promises a year-round water supply. They will no longer be restricted to a single sowing season. Instead, they will be able to raise a second crop and so double their production.

In parallel, the government has taken a series of measures to increase the farmers' incomes and boost overall production toward a projected 40 percent of domestic requirements.

It has raised the price it pays the farmers for their cereals by about 50 percent. The central agency, Commissariat à la Sécurité Alimentaire (CSA), now pays farmers UM 21 instead of UM 12-13 a kilo for miller and sorghum, and UM 18 a kilo for rice, compared with UM 12 previously.



At a Glance

The Islamic Republic of Mauritania lies on the Atlantic coast of northwest Africa and is bordered by the western Sahara and Algeria to the north, Mali to the east and Senegal, to the south. The climate is hot and dry, particularly in the northern area. Area: 1,030,700 sq. km. Estimated population: 1.89 million. Capital: Nouakchott. Languages: Arabic and French. Currency: 1 ouguiya = 5 khourms. Exchange rate: US\$ 1 = 74.8 ouguiya.

It has reformed land ownership. Under a decree issued in 1984, the government no longer recognizes the right of collective, or tribal, ownership. Any land that is not owned by a particular person or cooperative automatically reverts to the government and is, in theory, redistributed to farmers that will work the land.

It has coordinated an international effort to reduce crop damage by pests, including grasshoppers and locusts. And it has tried to resettle farmers and herders who left for the towns during the drought years.

Organized through the CSA, the rural development ministry and the secretary of the ruling military committee, the campaign offered free transport and supplies of seeds, fertilizers and equipment in 1985 and 1986. This year, the government ran a similar campaign, but charged a nominal fee for the service.

Government encouragement and a good level of rainfall have combined to increase cereal production. Initial estimates put 1987/88 net cereal production at about 107,000 tonnes. This year's harvest is expected to be 10.5 percent up on the previous season and now covers 35 percent of domestic requirements, close to the government's target.

This Advertising Section was written by Isla McClean.

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Kone Ould Mahmoud, Director General of the Maritime Establishment and Friendship Port, Nouakchott

Maritime Establishment and Project for a Deep Water Port in NOUAKCHOTT

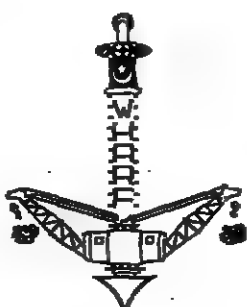
Created to meet the import and export requirements of our country and therefore reducing its economic dependence vis-à-vis foreign countries, the task of the wharf in Nouakchott was to unload 50,000 tons annually, with this figure capable of being increased to 100,000 tons by the strengthening of existing equipment.

In 1968 the first extension of the Wharf took place for an investment of 83,081,704 UM from the EDF; the second took place in 1975 for an amount of 84,401,137 UM from the CIO and the last was to become a reality in 1981 with the construction of the cement-manufacturing docking wharf. This construction cost the Cement Company of Mauritania a sum of 12 million Ouguiyas.

After this last extension, the annual unloading capacity of the Wharf is 450,000 tons.

In 1982, 325,442 tons were unloaded, of which around 94,336 tons of cement is the largest figure ever achieved since the building of the Wharf.

E.D.F.: European Development Fund
C.I.O.: Crédit Industriel de l'Ouest (Industrial Credit of the West) (France).



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MINISTERE DES PECHEES ET DE L'ECONOMIE MARITIME

(The Ministry of Fisheries and Maritime Economy)

The development of the Fisheries Sector in Mauritania actually took off with the new policy on fisheries. That policy stipulated that the entire catch should be off-loaded at Nouadhibou. This inspired the provision of fishing tackle on a national scale and the setting-up of the Mauritanian Fisheries Marketing Board (MFMB). These are the three constituent elements of this new policy whose major objective is to ensure that the fishing sector wins through. Mauritania has very large resources of fish and, bearing in mind the periodic recurrence of drought, the world crisis and the war Mauritania had to put up with until 1978, these resources are vital for its development.

Indeed, the fishing policy has given a good account of itself since 1979 and has established its viability. There is of course still a great deal to be done to carry the policy to completion. For instance, there is the need to create the right environment, establish on the ground certain industries which will provide facilities for freezing the catch and exporting it in its frozen form, and stocking it as long as the market is favourable. There is every need to ensure that the problem of training of fishermen is tackled. Actually, the fishermen of Mauritania were denizens of a nomadic world. They now have to adapt to a new seafaring life and master the secrets of using novel equipment from abroad. Within this context, there is also the problem of developing the resources in fish, which must be tackled at a level which is tolerable. This is an imperative need which must be met if any premature depletion of fish stocks is to be avoided. Indeed, the fish population needs to be protected and shielded from predators who lie outside the country's ambit. This means constant supervision of Mauritania's coastline. Mauritania is bringing all its influence to bear on carrying through a number of projects designed to promote the rapid development of fishing. They relate to the following areas:

1. Naval repairs. As a matter of fact, Mauritania has a sizeable fleet and its Number One priority is to establish repair shipyards.
2. Infrastructure: developing the "Baie de repos" and Nouakchott harbour.
3. Industrialisation. Mauritania is striving hard to upgrade the fish caught, to ensure that it is exported either sliced or filleted. Hence the search for external partners interested in setting-up industries for fish processing at Nouadhibou.

It is clear that a new fisheries policy is being established, a policy which will be better structured than its 1979 prototype, and will be a substantial improvement on its predecessor, so far as it learns from the mistakes of the past. In point of fact, a sectoral study has been undertaken and financed by the Kuwaiti Fund, the World Bank, the French Economic Cooperation Fund, with supervisory staff supplied by FAO, working under the direction of a British Study Bureau known as the Crown Agency. In the light of the findings of that study, the broad lines and essential directions in which the new fisheries policy will operate, will be laid down. Mauritania intends to forge links with its partners, based on mutual respect and seriousness of purpose.

For further information please contact the Ministry of Fisheries and Maritime Economy:

Le Ministère des Pêches et de l'Economie Maritime
B.P. 137, Nouakchott
Tel: 52476 Telex: 595 MTN.

Harvesting the Sea

THE fishing industry in Mauritania is a prime example of how much can be achieved by a government that is determined to diversify the national economy. In the 1970s the country was heavily dependent on a single commodity, iron ore. Since then the fishing industry has grown from virtually nothing to become the country's highest foreign exchange earner and an important source of government revenue.

Its rapid growth followed a change in government policy in 1979. To ensure that Mauritania benefited from its rich fishing grounds, the government decided that foreign participation in the industry would be encouraged but that partners would have to set up joint ventures and construct on shore facilities. Subsequently, since

1982, all fish catches have been offloaded in Mauritania for storage and processing. And, since its creation in 1984, the state-owned Société Mauritanienne de Commercialisation du Poisson (SMCP) has enjoyed a monopoly on the local purchase and export of this rich harvest.

Exports have shown tremendous growth since the new policy was introduced, reaching a record 373,000 tonnes in 1985, compared with only 77,100 tonnes in 1980. Although the figure dropped slightly in 1986, it should recover this year following new fishing agreements with the European Community and Algeria.

Earnings have soared, not only because of the increase in export tonnage but also because of the rise in price of specific species. Total exports were in the region of \$278 million in

1986. Of this total, the SMCP exported 60,000 tonnes worth \$153 million. In the first eight months of this year, it exported 47,011 tonnes of frozen fish worth \$107 million. Most of its exports go to Japan.

Just how fast the industry has taken off is evident on a night visit to Nouadhibou, where the lights of the moored fishing vessels shine out along the shoreline. Further south, the fishermen's beach in Nouakchott is swarming with fishermen and small-scale traders, sitting beside piles of fish, while small boys throw fishing lines into the sea from the shore.

Such rapid development has not been without its problems and distortions. Although the industry earns huge sums, up to 80 percent leaves the country in loan repayments and payments for ship services.



Furthermore, the government had been advised that the quantity of fish currently caught, some 600,000 tonnes a year (including estimates of illegal catches), is about the maximum that can be taken without dangerously depleting the stocks. "We have reached the limit of

exploitation of the resources. We can no longer increase the quantity of fish caught. Nor can we reasonably expect prices to rise significantly in the near future," says Dr. Cherif, secretary-general of the Ministry of Fisheries.

In response, the government adopted a new long-

term strategy for the fishing sector last April. This policy, largely based on a study of the sector by England's Crown Agents, has two overall aims: to conserve resources and integrate the fishing industry into the rest of the economy.

Since the beginning of

The fishing industry is a sure source of food and a rich revenue earner for the people of Mauritania.

the year, the government has stopped issuing licences to foreign vessels to fish for demersal (bottom dwelling) fish. The few licences which are still valid will not be renewed when they expire, Dr. Cherif said. The demersal fish are now reserved exclusively for local fishermen.

New fishing zones have been set out to restrict the catches in specific areas. For example, under the Soviet fishing agreement, vessels are not allowed to fish for pelagic fish in less than 30 meters of water. In addition, the government has plans to improve fisheries surveillance to stop illegal fishing.

Eight studies on future development are underway and due to be completed by the beginning of 1988.

To increase the net contribution of the fisheries

sector to the economy, the government is looking into the development of new port facilities. Feasibility studies are currently being made on improvements to the port at Nouadhibou, the construction of a ship repair yard also at Nouadhibou and the possible construction of a fishing port at the country's only other port, Nouakchott, which opened last year.

Further studies concern the development of a shrimp fishing industry, the promotion of artisanal fishing, and changes to the tax regime and licensing system, as well as improvements in employment and training.

The projected cost of these changes should be around \$60 million. But that is a small price to pay if Mauritania is to conserve its harvest of the sea.

Woman Wins Key Position in Mining Industry

KHADIJETOU Mint Ahmed has moved further up the political ladder than any other Mauritanian woman. In May she was appointed Minister of Mines and Industry, making her the only woman in government since the military took over in 1978 and the first to be given a technical portfolio.

The 33-year-old mother of two sees her appoint-

ment as part of the government's year-old decision to discriminate positively in favor of women. "It is government policy to give women their rightful place in the construction of the nation. That was clearly stated in the head of state's speech in Nema last year. So the government decided to appoint a woman to head a department," she says modestly.

But it is not just any ministry she heads. She holds what is arguably one of the top five posts in government, for her responsibilities include the all-important iron ore mining industry, which is Mauritania's largest net foreign exchange earner and a major employer.

Inevitably, she has been called Mauritania's "iron lady." She finds the nick-

name amusing. "Why not?" she asks.

Khadijetou, an economics graduate from Mohammed V University in Morocco, worked for ten years at the Banque Centrale de Mauritanie, where she headed, in turn, the economic studies, balance of payments and credit departments.

Now she is applying her expertise on a far larger

scale and, so far, seems confident in the progress that has been made: "The management is determined that SNIM will continue to play its crucial part in the national economy."

The iron ore mining industry is currently experiencing financial problems because the world iron and steel markets remain depressed and the value of the US dollar has fallen. Earn-

ings last year totaled about \$150 million, but will be significantly lower in 1987.

World prices are now lower in real terms than in 1975. This year, the iron ore mining company, Société Nationale Industrielle et Minière — société d'économie mixte (SNIM-sem) had to concede an average 11 percent price cut during negotiations with its European customers, who im-

port about 90 percent of Mauritanian exports.

SNIM-sem has been unable to make up the loss of earnings by increasing export tonnage. Iron ore shipments, slightly down on the previous two years, will total only about 9 million tonnes, compared to a target of 10 million tonnes and potential capacity of 12 million.

In addition, the company is having to service the foreign debt on loans contracted in the early 1980s to finance a \$350 million investment in a new mine at El Rhein, the first stage of a two-part Guelbs project. Loan repayments are currently running at approximately \$40-45 million a year, equivalent to roughly one-third of the company's turnover.

Despite rescheduling some \$11 million owed to France and Japan, SNIM-sem faces making a loss, possibly of UM 1,000 million (US\$13.4 million), after profits of UM 450 million in 1985 and UM 30 million in 1986. The final figure will depend on whether the government goes ahead and reduces the company's tax by 50 percent. That will be a tricky decision to take, for any reduction in SNIM-sem's taxes will automatically reduce central government revenue.

Faced with these financial difficulties and little prospect of a major turnaround in the world market, SNIM-sem is carrying out a major restructuring program aimed at cutting costs and increasing productivity. The \$90 million program, which will run until 1995, is being financed by World Bank, European Investment Bank, European Community, Kuwait Fund, African Development Fund, France's Caisse Centrale de Coopération Economique, and the Arab Fund for Economic and Social Development.

So far the donors have been impressed with the pragmatism shown by the SNIM-sem management. Last year, the company cut its work force by about 1,000, although some estimates put the number at 1,500. It has sold its three private aircraft to Air Mauritanie, the national airline, and has leased management of its hotel outside Nouadhibou to a French company.

SNIM-sem is also carrying out major rehabilita-

tion work. One project will improve the 652 kilometer railway which carries ore from the mines near Zouerate to the mineral port near Nouadhibou. The iron ore enrichment plant at the El Rhein mine, which opened in 1984, will also be modified.

A second phase of the Guelbs project, involving a new mine at Oum Arwagan and another ore enrichment plant, had been scheduled for 1990 and would have cost \$500 million. Now it is likely this project may be postponed. Cancellation of the pro-



Minister of Mines and Industry, Khadijetou Mint Ahmed.

الشركة الموريتانية لتسويق الاسماك

S.M.C.P.

SOCIÉTÉ MAURITANIEENNE POUR LE COMMERCIALISATION DU POISSON
The Mauritanian Fish Marketing Board



Cheikh El Afia Ould Mouhamed Khomou, Director General, S.M.C.P.

The Mauritanian Fish Marketing Board has had encouraging results compared with the position prior to its establishment. Indeed, the year 1985 recorded a turnover of US\$105 million for exports totalling 60,000 tons, a figure out of all proportion to the statistics of previous years.

SMCP's importance is felt at three levels: first, as regards payments balances, secondly from the standpoint of actual physical infrastructure, and also as it is reflected in the Public Revenue in income from duties charged.

The 1985 catch exceeded all expectations: 220 million as against economic and financial projections of approximately 250 million. This substantial improvement was maintained in 1986, and in the first six months of that year a steady increase of 70% was registered compared with the position in 1985. This gives cause for optimism, since the actual turnover also showed an upswing of 70%. During the

six months of 1986 production rose by 10%, as a result of a 25% increase in the fishing fleet and by the end of the year the total exports showed a value of US\$150 million. The increase was due in the main to a price rise on the international market, since output from the leading competitors — Spain and Morocco — was fairly low, which meant that demand outstripped supply.

SMCP enjoys good relations of trust and comradeship on the foreign market. It has three large outlets, the largest being Japan, which, in 1986 absorbed 73% of the tonnage. Quite a few contracts were signed with Japanese firms, thus guaranteeing the sale of a substantial percentage of SMCP's output. The second market is the European market comprising Italy, Spain and Greece. It is a stable market with remunerative prices representing 26% of the tonnage in 1986.

The only fly in the ointment, so to speak, as regards SMCP's marketing policy is the African Market, which has failed to absorb the scheduled tonnage estimated at exactly the same figure as the tonnage for Europe. Only 1% of the 1986 tonnage was allocated to the African market. The problem is due to the purchasing power of the African countries and, especially, to shortage of transport, which is a definite constraint. Such a situation compels African States to buy in small quantities, which hardly justifies chartering a cargo-transport. Add to this the fact that there are no regular lines of communication between Mauritania and Africa, and you have a major handicap. However, an attempt is being made to get round these difficulties by entering into stable contracts with serious-minded customers of substance who will become regular purchasers. In due course the problem will be solved.



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Specific Deposit Accounts: funds are deposited by depositors wishing to authorize the bank to invest in a specific project or for a particular objective. The depositor receives a share of net profit generated by each specific project.

b) The bank provides cover services on behalf of other banks and also notifies and confirms credits.

c) The bank levels off accounts and finds suitable investment for any surplus funds collected by itself or similar financial institutions.

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NYSE Most Actives					
Vol.	High	Low	Last	Chg.	
Unit	2700	26 1/2	26 1/2	+ 1/4	
Unit	2700	26 1/2	26 1/2	+ 1/4	
Unit	2700	26 1/2	26 1/2	+ 1/4	
Unit	2700	26 1/2	26 1/2	+ 1/4	
Unit	2700	26 1/2	26 1/2	+ 1/4	
Unit	2700	26 1/2	26 1/2	+ 1/4	
Unit	2700	26 1/2	26 1/2	+ 1/4	
Unit	2700	26 1/2	26 1/2	+ 1/4	
Unit	2700	26 1/2	26 1/2	+ 1/4	
Unit	2700	26 1/2	26 1/2	+ 1/4	

Dow Jones Bond Averages			
Bonds	Close	Chg.	
10-yr	86.74	+0.11	
20-yr	86.74	+0.11	
30-yr	86.74	+0.11	

Market Sales			
NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume
NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume
NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume
NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume	NYSE 4 p.m. volume

NYSE Diary			
Advanced	Declined	Unchanged	New Highs
Advanced	Declined	Unchanged	New Highs
Advanced	Declined	Unchanged	New Highs
Advanced	Declined	Unchanged	New Highs

NYSE Index			
High	Low	Close	Chg.
High	Low	Close	Chg.
High	Low	Close	Chg.
High	Low	Close	Chg.

Odd-Lot Trading in N.Y.			
Dec 4	Dec 5	Dec 6	Dec 7
Dec 4	Dec 5	Dec 6	Dec 7
Dec 4	Dec 5	Dec 6	Dec 7
Dec 4	Dec 5	Dec 6	Dec 7

Dow Jones Averages			
Indus	Trans	Util	Comp
Indus	Trans	Util	Comp
Indus	Trans	Util	Comp
Indus	Trans	Util	Comp

Standard & Poor's Index			
Indus	Trans	Util	Comp
Indus	Trans	Util	Comp
Indus	Trans	Util	Comp
Indus	Trans	Util	Comp

AMEX Diary			
Advanced	Declined	Unchanged	New Highs
Advanced	Declined	Unchanged	New Highs
Advanced	Declined	Unchanged	New Highs
Advanced	Declined	Unchanged	New Highs

NASDAQ Index			
Close	Chg.	Week	Year
Close	Chg.	Week	Year
Close	Chg.	Week	Year
Close	Chg.	Week	Year

NASDAQ Diary			
Advanced	Declined	Unchanged	New Highs
Advanced	Declined	Unchanged	New Highs
Advanced	Declined	Unchanged	New Highs
Advanced	Declined	Unchanged	New Highs

AMEX Most Actives			
Vol.	High	Low	Last
Vol.	High	Low	Last
Vol.	High	Low	Last
Vol.	High	Low	Last

AMEX Stock Index			
High	Low	Close	Chg.
High	Low	Close	Chg.
High	Low	Close	Chg.
High	Low	Close	Chg.

NYSE Rises; Dow Up 45 Points

Compiled by Our Staff From Dispatches

NEW YORK—Stock prices advanced Monday on the New York Stock Exchange with the Dow Jones industrial average rising 45.43 points to 1,812.17 in a rally sparked by a firmer dollar.

But volume remained relatively low, totaling 146.66 million shares, down from 184.80 million in the previous session, and the ratio of gaining and losing stocks was a extremely small 9-7, indicating that "this is not a strong market," said Hildegard Zagorski, an analyst with Prudential-Bache Securities Inc.

Analysts said the market was being driven by a stronger U.S. currency and speculation that the United States will cooperate to support the dollar. They said that most of the buying came from foreign investors, who were calmed by an apparent shift in the Reagan administration's policy toward the dollar.

"We've had an influx of foreign demand, particularly the Japanese," who were buying blue-chip issues, said Michael Metz, an analyst with Oppenheimer & Co.

United Telecommunications was the most active NYSE-listed issue, up 1/4 to 24 1/2. E.F. Hutton followed, up 1/4 to 27 1/2, with Storage Technology was third, unchanged at 14.

AT&T gained 1 1/4 to 27 1/2. IBM was up 1/4 to 109 1/4. Among other blue chips, General Electric was up 1/4 to 41 1/4, American Express was down 1/4 to 21 1/4 and Kodak was up 1/4 to 45 1/4.

In the oil sector, Exxon was up 1/4 to 37 1/2, Mobil was ahead 1/4 to 35 1/4, Texaco was up 1/4 to 33 1/4 and Pennzoil was off 1/4 to 74 1/4.

Prices were mixed in active trading of American Stock Exchange issues.

"Once again, it's the market against the Dow," said Larry Wachtel, a analyst with Prudential-Bache Securities Inc. "But as far as I'm concerned, 30 blue-chip stocks do not make a market. This is not a rally. It's kind of a fake-out rally."

"The market is really not doing much of anything," said Ralph Acampora, director of technical research at Kidder, Peabody & Co. He said the Dow's advance was basically "a pop in the blue chips."

Mr. Acampora said the psychology on Wall Street remained "gloomy and bearish" and that the market would continue to test for new lows.

"We are in the process of testing," he said. "There was too much damage done" in October, "so it's going to take time."

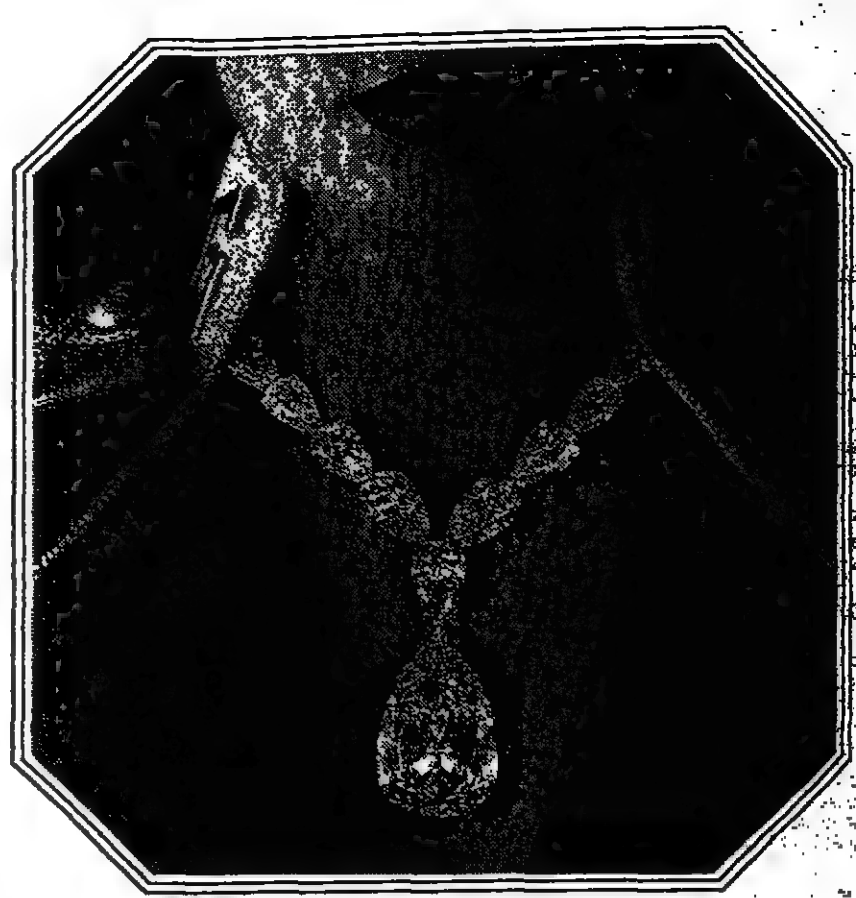
A.C. Moore, director of technical research at Argus Research Corp. in New York, said he was cautiously optimistic that the market could avoid a dip below the mark established on Oct. 19, when the Dow closed at 1,738.74.

"The markets are very oversold," he said, "important technical indicators are oversold."

"The tape is taking on a slightly firmer tone. There is cash on the sidelines and stock waiting to be bought," he said. "Anytime investors are negative, they are usually on the sidelines and have sold the stock they intended to sell. That could mean a move the other way."

Mr. Moore said the market could get a boost from the October data on the U.S. merchandise trade deficit, set for release Thursday. He said the October deficit should narrow to around \$13.8 billion from \$14.1 billion.

(AP, UPI)



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12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.
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12 Month	High	Low	Stock	Div.	Yld.	PE	52	High	Low	Close	Chg.

(Continued on next left-hand page)

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Herald Tribune BUSINESS/FINANCE

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International
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TUESDAY, DECEMBER 8, 1987

WALL STREET WATCH

Investors Turn to Utilities As Safe Haven After Storm

By VARTAN G. VARTAN

NEW YORK — After the October rout in stock prices, many investors turned to electric utilities in search of a safe haven. "Most utility issues offer high yields and superior price stability, which appeal to investors in a bear market," the Value Line Investment Survey noted.

Some investors snapped up the highest yielding utility issues. Generally these companies have completed, or are about to complete, the construction of nuclear plants. Their shares carry more than usual market risk, since expensive nuclear projects often create rate-setting conflicts with state regulatory commissions.

One example is Centene Energy Corp., a Cleveland-based electric utility. Its stock pays an annual dividend rate of \$2.56 a share and yields slightly more than 15 percent.

Some Wall Street analysts, while underscoring the risk of a dividend cut, recommend the stock for investors willing to assume that risk.

"I think it is a good investment," said Mark D. Luftig of Salomon Brothers. "Under the worst-case scenario, the company might reduce its dividend by one-third, but that would still provide a yield of 10 percent, based on current costs."

S. Arlene Barnes and Nancy G. Fertig, utility analysts at First Boston Corp., pick Centene as a "special situation" stock. "While we believe there continues to be risk of a cut in the company's dividend," they said in a recent report, "we think this is probably pretty much reflected in the stock price."

Analysts say that usually, when a utility stock yields as much as 10 percent, chances of any dividend increases are pretty slim.

But the weakness in stock prices since late October has resulted in a number of stocks that do provide a return of 10 percent or slightly higher. "Our first choice here would be Ohio Edison," the First Boston analysts said. "We consider its yield reasonably safe, the stock is very liquid and the company has a good deal of room for fundamental improvement over the longer term. Although they are less liquid, Public Service Co. of Colorado and New York State Electric & Gas also pay reasonably safe dividends in the same range."

COMMONWEALTH Edison Co., nearing completion of its nuclear construction program, carries a yield of about 11 percent. Mr. Luftig recommends the stock and says he believes the dividend "is close to 100 percent safe."

On the other hand, he would avoid Detroit Edison Co., which he says has "ongoing problems with its Fermi II nuclear plant." The stock yields about 12 percent, but Mr. Luftig said, "I think that the dividend is in jeopardy and that earnings will plummet from an estimated \$3.20 a share this year to \$2 in 1988."

Among nonnuclear utilities paying relatively high dividends, Mr. Luftig favors Cincinnati Gas & Electric Co. and DPL Inc. (formerly Dayton Power & Light). These Ohio companies are partners in what originally started as a nuclear plant and now is being converted to a coal-fired plant. "Both companies have the ability to increase their dividends," the analyst pointed out.

Miss Fertig suggests that most investors would benefit in the long run by buying better quality utility stocks because, although their yields are more modest, they offer the prospect of superior market performance. That view is based on the concept of "total return," as distinguished from bird-in-the-hand current return. Her total-return candidates include New England Electric, Kansas Gas & Electric, Montana Power and Potomac Electric.

Utilities and other stocks paying high dividends lend themselves to a sophisticated hedging strategy called "dividend capture," which corporations use to enhance their after-tax rate of return on corporate cash.

Banking Turmoil In France

Strike Hits Checks,
Supplies of Notes

PARIS — A weeklong strike and slowdown action by staff at the Bank of France has led to a buildup of uncleared checks and a growing shortage of cash at provincial banks, union and bank sources said Monday.

The industrial action, coinciding with nervousness on foreign exchange markets, has paralyzed the bank headquarters in Paris, the sources said.

The central bank's unions called a national "day of action" on Tuesday, when delegates from Bank of France offices around the country will be in Paris to plan strategy.

The bank, which was nationalized in 1946, has 234 offices and branches throughout France.

Key market operations rooms have been occupied by strikers since last Tuesday.

While the bank has been able to continue surveillance of foreign exchange and money markets, its ability to process checks and bank notes has been hampered, the sources said.

The strike, supported by 60 percent to 70 percent of the bank's 17,000 staff members nationwide, stems from a dispute over pay, conditions and job security.

The Chamaillieres factory in central France, which prints 700 million bank notes a year, has been closed for a week.

Workers there contend that the planned introduction of new technology will cost hundreds of jobs. They also say the technology will mean the use of thicker paper for bank notes, making the currency easier to forge.

Talks between union representatives and the bank's governor, Jacques de Larosiere, who is a former managing director of the International Monetary Fund, have been unsuccessful.

The bank has offered a pay increase of 2 percent.

A Bank of France spokesman said there was no threat to the bank's ability to monitor the performance of the French franc.

But officials at one major clearing bank said the breakdown of the check clearance system made it impossible to monitor accounts properly.

"It is annoying for everyone, but that's the point of strikes, isn't it?" one banker said.

Petrobras Diversifying Overseas It Seeks Distance From Brazil's Economic Plight



Part of Petrobras's offshore production system in the Campos fields.

By Alan Riding

RIO DE JANEIRO — Long considered an important nationalist symbol, the huge state oil monopoly, Petrobras, has decided to expand and diversify its operations abroad to help distance itself from Brazil's economic troubles.

It is a complex strategy for a company that dreams of running itself like a private enterprise but faces constant interference from the government. Even as it yearns for a more prominent international role, Brazil's largest corporation cannot easily detach itself from the country's problems.

Still, the program is going ahead. Already involved in drilling in Angola and the North Sea, the corporation last week signed an agreement with Texaco Inc. for oil exploration in the Gulf of Mexico. Next it plans to set up a company in

London to manage a range of new offshore operations.

"My idea is to seek full involvement in the international market," Colonel Othello Silva, who took over as president of Petrobras 18 months ago, said in an interview. "If we limit ourselves to an island called Brazil, we can't have a performance different from that of Brazil."

This became painfully apparent during the first six months of this year as the Brazilian economy tumbled into crisis. With the government holding down domestic fuel prices in a vain attempt to smother triple-digit inflation, Petrobras showed losses for the first time in its 34 years of business.

The corporation bounced back in the third quarter and is still hoping to break even this year, but it was clearly shocked to find itself, albeit briefly, in the company of the electricity, steel, nuclear ener-

See PETROBRAS, Page 19

Iraq Threatens To Increase Oil Output Further

Compiled by Our Staff From Dispatches

BAGHDAD — Iraq's oil minister, Issam Abdul-Rahim al-Chalabi, said Monday that Iraq would increase its oil production further above its OPEC quota if it was not allotted a quota equal to Iran's at this week's OPEC meeting in Vienna.

Oil prices, which had fallen about \$3 a barrel since August because of overproduction, dropped again on Monday. On the New York Mercantile Exchange, West Texas Intermediate, the benchmark U.S. crude oil, fell 49 cents for January delivery to \$18.25 a barrel from Friday.

In a statement to parliament, Mr. Abdul-Rahim charged that Iran, Iraq's enemy in the Gulf War, is selling its crude oil for \$15 a barrel, \$3 less than the Organization of Petroleum Exporting Countries' benchmark price.

Iran's oil minister, Qasim Azadegan, denied Monday that Iran was selling oil at a discount. Tehran Radio reported. He said OPEC should raise oil prices by \$2.70 a barrel to offset inflation and the fall in the dollar.

In another development on Monday, Kuwait and Indonesia, two of OPEC's most influential members, added their voices to growing opposition to Iran's demand for a price rise. Saudi Arabia, OPEC's biggest producer, has said it would oppose an increase.

At the annual OPEC meeting, which begins Wednesday, oil ministers will attempt to fix a new

U.S. Banks Post Record Profits After Record Loss

The Associated Press

WASHINGTON — U.S. banks had record profits of \$3.8 billion in the three months ended in September, partially offsetting their unprecedented \$10.6 billion loss in the April-June quarter, the Federal Deposit Insurance Corp. said Monday.

The FDIC said the rebound was partly due to higher interest rates, which boosted yields on loans and investment securities. The second-quarter loss was due almost entirely to banks setting aside funds as a hedge against losses on Latin American loans.

But, the FDIC said, the upswing would not prevent 1987 from being the worst year for U.S. banks since 1934.

Separately, the Federal Home Loan Bank Board said the more than 3,000 savings and loan institutions it insures had third-quarter net losses of \$1.6 billion, a 9 percent reduction from the second quarter.

reference price for crude and new output quotas for the 13 members. Iran wants to raise prices, partly to finance the war. But oil analysts and many OPEC officials doubt that an increase can be enforced.

OPEC has reportedly been pumping as much as 3 million barrels a day over its self-imposed limit of 16.6 million barrels.

Indonesia's minister, Subroto, said on arrival in Vienna for the talks. "It is a vital necessity to bring Iraq into the agreement."

Iran's OPEC-decreed quota stands at 2.37 million barrels a day and Iraq's at 1.5 million.

But Iraq is pumping an average of 2.7 million barrels a day.

"We have refused to abide by this quota," Mr. Abdul-Rahim said. "We will raise our output further unless the organization recognizes a quota for us that is similar to that of Iran."

Last week, Iraq had said it would cooperate with OPEC and lower its output to take pressure off world prices, but only if it were given parity with Iran's quota.

(AP, Reuters)

U.S., Canada Agree to Final Text on Trade Pact

Compiled by Our Staff From Dispatches

OTTAWA — Canada and the United States agreed Monday to the final text of a free trade agreement that will phase out remaining tariffs between the world's largest trading partnership over a period of 10 years starting Jan. 1, 1989.

Protracted negotiations on the legal wording of the document were wrapped up after a marathon weekend bargaining session in Ottawa, according to Simon Reisman, Canada's chief negotiator.

He said the legal text of more than 1,000 pages was consistent with the agreement initiated Oct. 4 in Washington after more than a year's bargaining. Completion of

the final text had been expected by late October.

Neither Mr. Reisman nor Peter Murphy, the chief U.S. negotiator, would divulge details or say whether trade-offs had been made, although Mr. Reisman said, "From Canada's point of view, it is a very good agreement."

But sources, speaking on condition of anonymity, said that it differed from the October agreement on provisions for automotive trade, maritime shipping and the process for settling trade disputes.

Mr. Reisman said both sides would proofread and initial the final text within 48 hours, submit it to their governments for approval and release it to the public.

Prime Minister Brian Mulroney and President Ronald Reagan are to sign the agreement in less than a month. Mr. Reagan must submit the pact to Congress in early January to take advantage of a speedy ratification process that does not allow amendments.

Delays in completing the agreement had increased regional tensions in Canada, with Mr. Mulroney's political foes accusing him of tinkering under to the United States.

The agreement is intended to remove remaining tariff and non-tariff barriers between the countries, as well as nullify increasing protectionist pressure.

About 80 percent of the annual \$150 billion in trade already is duty free. Over the 10-year period, U.S. access to Canadian energy and financial markets would be improved, as would Canadian access to such U.S. markets as agriculture, fisheries, lumber and paper, minerals, manufacturing and retail. Disputes would be submitted to a five-member panel chosen by both countries.

Higher-level officials — Mr. Mulroney's chief of staff, Derek Burney, and U.S. Ambassador Thomas Nides — were brought in for the weekend talks after Mr. Murphy and Mr. Reisman failed to complete the final draft in two days of negotiations last week.

(Reuters, AP)

Currency Rates

Cross Rates	Dec 7	Dec 8
Amsterdam	1.805	1.815
Frankfurt	1.497	1.507
London	1.794	1.804
Paris	1.794	1.804
Switzerland	1.794	1.804
Yen	1.794	1.804
Other Dollar Values		
Argentine	1.805	1.815
Australian	1.805	1.815
Belgian	1.805	1.815
British	1.805	1.815
Canadian	1.805	1.815
Dutch	1.805	1.815
French	1.805	1.815
German	1.805	1.815
Italian	1.805	1.815
Japanese	1.805	1.815
Spanish	1.805	1.815
Swedish	1.805	1.815
Swiss	1.805	1.815
Thai	1.805	1.815
West German	1.805	1.815
Yugoslavian	1.805	1.815

Interest Rates

Key Money Rates	Dec 7	Dec 8
3-month CD	7.13	7.13
6-month CD	7.13	7.13
1-year CD	7.13	7.13
3-month T-bill	7.13	7.13
6-month T-bill	7.13	7.13
1-year T-bill	7.13	7.13
3-month Euro	7.13	7.13
6-month Euro	7.13	7.13
1-year Euro	7.13	7.13
3-month Yen	7.13	7.13
6-month Yen	7.13	7.13
1-year Yen	7.13	7.13
3-month Swiss	7.13	7.13
6-month Swiss	7.13	7.13
1-year Swiss	7.13	7.13
3-month Canadian	7.13	7.13
6-month Canadian	7.13	7.13
1-year Canadian	7.13	7.13
3-month Australian	7.13	7.13
6-month Australian	7.13	7.13
1-year Australian	7.13	7.13
3-month Japanese	7.13	7.13
6-month Japanese	7.13	7.13
1-year Japanese	7.13	7.13
3-month South African	7.13	7.13
6-month South African	7.13	7.13
1-year South African	7.13	7.13
3-month New Zealand	7.13	7.13
6-month New Zealand	7.13	7.13
1-year New Zealand	7.13	7.13
3-month Hong Kong	7.13	7.13
6-month Hong Kong	7.13	7.13
1-year Hong Kong	7.13	7.13
3-month Singapore	7.13	7.13
6-month Singapore	7.13	7.13
1-year Singapore	7.13	7.13
3-month Taiwan	7.13	7.13
6-month Taiwan	7.13	7.13
1-year Taiwan	7.13	7.13
3-month Korea	7.13	7.13
6-month Korea	7.13	7.13
1-year Korea	7.13	7.13
3-month Philippines	7.13	7.13
6-month Philippines	7.13	7.13
1-year Philippines	7.13	7.13
3-month Thailand	7.13	7.13
6-month Thailand	7.13	7.13
1-year Thailand	7.13	7.13
3-month Malaysia	7.13	7.13
6-month Malaysia	7.13	7.13
1-year Malaysia	7.13	7.13
3-month Indonesia	7.13	7.13
6-month Indonesia	7.13	7.13
1-year Indonesia	7.13	7.13
3-month Brazil	7.13	7.13
6-month Brazil	7.13	7.13
1-year Brazil	7.13	7.13
3-month Argentina	7.13	7.13
6-month Argentina	7.13	7.13
1-year Argentina	7.13	7.13
3-month Mexico	7.13	7.13
6-month Mexico	7.13	7.13
1-year Mexico	7.13	7.13
3-month Chile	7.13	7.13
6-month Chile	7.13	7.13
1-year Chile	7.13	7.13
3-month Peru	7.13	7.13
6-month Peru	7.13	7.13
1-year Peru	7.13	7.13
3-month Colombia	7.13	7.13
6-month Colombia	7.13	7.13
1-year Colombia	7.13	7.13
3-month Venezuela	7.13	7.13
6-month Venezuela	7.13	7.13
1-year Venezuela	7.13	7.13
3-month Ecuador	7.13	7.13
6-month Ecuador	7.13	7.13
1-year Ecuador	7.13	7.13
3-month Bolivia	7.13	7.13
6-month Bolivia	7.13	7.13
1-year Bolivia	7.13	7.13
3-month Paraguay	7.13	7.13
6-month Paraguay	7.13	7.13
1-year Paraguay	7.13	7.13
3-month Uruguay	7.13	7.13
6-month Uruguay	7.13	7.13
1-year Uruguay	7.13	7.13
3-month Cuba	7.13	7.13
6-month Cuba	7.13	7.13
1-year Cuba	7.13	7.13
3-month Haiti	7.13	7.13
6-month Haiti	7.13	7.13
1-year Haiti	7.13	7.13
3-month Dominican	7.13	7.13
6-month Dominican	7.13	7.13
1-year Dominican	7.13	7.13
3-month Puerto Rico	7.13	7.13
6-month Puerto Rico	7.13	7.13
1-year Puerto Rico	7.13	7.13
3-month Virgin Islands	7.13	7.13
6-month Virgin Islands	7.13	7.13
1-year Virgin Islands	7.13	7.13
3-month Guam	7.13	7.13
6-month Guam	7.13	7.13
1-year Guam	7.13	7.13
3-month Northern Mariana	7.13	7.13
6-month Northern Mariana	7.13	7.13
1-year Northern Mariana	7.13	7.13
3-month American Samoa	7.13	7.13
6-month American Samoa	7.13	7.13
1-year American Samoa	7.13	7.13
3-month Cook Islands	7.13	7.13
6-month Cook Islands	7.13	7.13
1-year Cook Islands	7.13	7.13
3-month Tokelau	7.13	7.13
6-month Tokelau	7.13	7.13
1-year Tokelau	7.13	7.13
3-month Niue	7.13	7.13
6-month Niue	7.13	7.13
1-year Niue	7.13	7.13
3-month Tonga	7.13	7.13
6-month Tonga	7.13	7.13
1-year Tonga	7.13	7.13
3-month Samoa	7.13	7.13
6-month Samoa	7.13	7.13
1-year Samoa	7.13	7.13
3-month Kiribati	7.13	7.13
6-month Kiribati	7.13	7.13
1-year Kiribati	7.13	7.13
3-month Tuvalu	7.13	7.13
6-month Tuvalu	7.13	7.13
1-year Tuvalu	7.13	7.13
3-month Marshall Islands	7.13	7.13
6-month Marshall Islands	7.13	7.13
1-year Marshall Islands	7.13	7.13
3-month Micronesia	7.13	7.13
6-month Micronesia	7.13	7.13
1-year Micronesia	7.13	7.13
3-month Palau	7.13	7.13
6-month Palau	7.13	7.13
1-year Palau	7.13	7.13
3-month Federated States of Micronesia	7.13	7.13
6-month Federated States of Micronesia	7.13	7.13
1-year Federated States of Micronesia	7.13	7.13
3-month Republic of the Marshall Islands	7.13	7.13
6-month Republic of the Marshall Islands	7.13	7.13
1-year Republic of the Marshall Islands	7.13	7.13
3-month Republic of the Palau	7.13	7.13
6-month Republic of the Palau	7.13	7.13
1-year Republic of the Palau	7.13	7.13
3-month Republic of the Federated States of Micronesia	7.13	7.13
6-month Republic of the Federated States of Micronesia	7.13	7.13
1-year Republic of the Federated States of Micronesia	7.13	7.13
3-month Republic of the Palau	7.13	7.13
6-month Republic of the Palau	7.13	7.13
1-year Republic of the Palau	7.13	7.13
3-month Republic of the Federated States of Micronesia	7.13	7.13
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1-year Republic of the Federated States of Micronesia	7.13	7.13
3-month Republic of the Palau	7.13	7.13
6-month Republic of the Palau	7.13	7.13
1-year Republic of the Palau	7.13	7

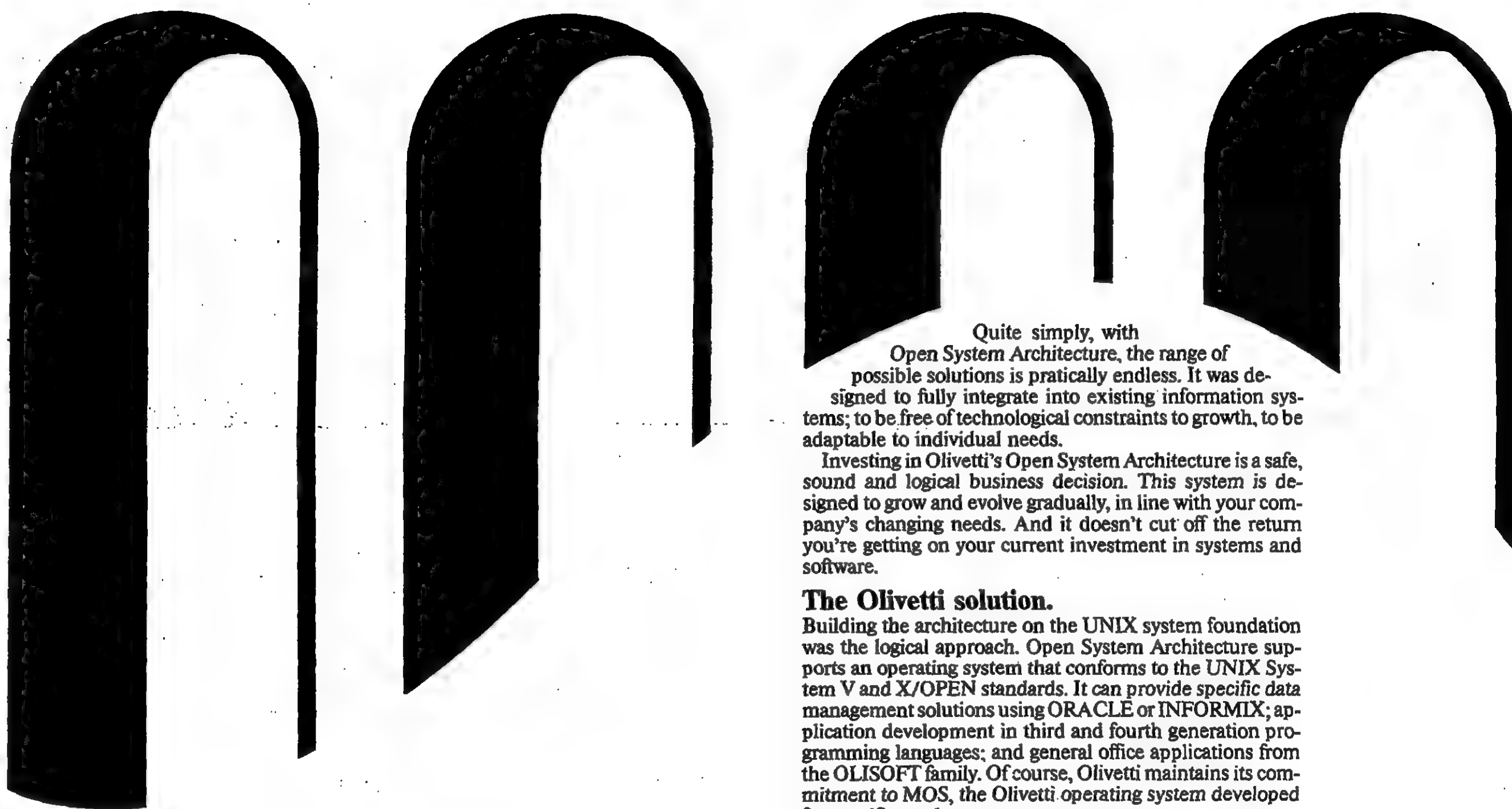
An effective System Architecture should provide an open bridge to any need.

Sadly, many systems in the world of information management only purport to be "open". A few claims stand up under close scrutiny. But many are exaggerated; others are simply false.

Open System Architecture from Olivetti was built from the ground up to be open and adaptable. In fact, its openness is to a large extent its reason for being.

Olivetti developed Open System Architecture to provide across the board information management support, adaptable for whatever application the user wants to run, for whatever level in the system.

Unlike other companies, Olivetti is not shackled by marketing strategies or indeed technologies that close down rather than open up opportunities for customers.



Quite simply, with Open System Architecture, the range of possible solutions is practically endless. It was designed to fully integrate into existing information systems; to be free of technological constraints to growth, to be adaptable to individual needs.

Investing in Olivetti's Open System Architecture is a safe, sound and logical business decision. This system is designed to grow and evolve gradually, in line with your company's changing needs. And it doesn't cut off the return you're getting on your current investment in systems and software.

The Olivetti solution.

Building the architecture on the UNIX system foundation was the logical approach. Open System Architecture supports an operating system that conforms to the UNIX System V and X/OPEN standards. It can provide specific data management solutions using ORACLE or INFORMIX; application development in third and fourth generation programming languages; and general office applications from the OLISOFT family. Of course, Olivetti maintains its commitment to MOS, the Olivetti operating system developed for specific market sectors.

Applications run on a new family of LSX 3000 minicomputers linking two to two hundred users, with full Local and Wide Area Network communications capability provided by Olinet products meeting the ISO/OSI standard. And with full connectivity to the MS-DOS environment and to the corporate database, wherever it's located.

Olivetti is represented in all European, Far Eastern and Western countries. For further information about Olivetti systems please contact the Marketing Department of the Olivetti Head Office in your country.



olivetti

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ORACLE is a trademark of Oracle Corp.
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MS-DOS is a trademark of Microsoft Inc.

F.I.F. INTERNATIONAL

F.I.F. INTERNATIONAL
A DIVERSIFIED LUXEMBOURG MUTUAL FUND

NOTICE TO SHAREHOLDERS

CONVERSION INTO A MULTI-SECTION MUTUAL FUND
In order to allow a diversified investment policy, the Management Company in agreement with the Custodian Bank has decided to convert the existing F.I.F. into a multi-fund vehicle. The following sub-funds have been formed:

F.I.F. INTERNATIONAL "DIVERSIFIED"
F.I.F. INTERNATIONAL EUROPE
F.I.F. INTERNATIONAL AMERICA
F.I.F. INTERNATIONAL PACIFIC
F.I.F. INTERNATIONAL UNITED KINGDOM
F.I.F. INTERNATIONAL ITALY
F.I.F. INTERNATIONAL SPAIN
F.I.F. INTERNATIONAL GERMANY

The details of the modification to the Management Regulations were published in the *Mémorial*, the Official Journal of Luxembourg on September 15, 1987 and became effective on that day. They have been filed with the Luxembourg Tribunal and are available from the Custodian Bank on request.

F.I.F. INTERNATIONAL "DIVERSIFIED"
The shares of F.I.F. INTERNATIONAL A (dividend paying shares) and B (dividend reinvested shares) which are presently in use will become shares A and B of sub-F.I.F. INTERNATIONAL "DIVERSIFIED" without charge to the holders.

F.I.F. INTERNATIONAL AMERICA, EUROPE AND PACIFIC
The December 7, 1987 General Meeting of the previous investment companies F.I.F. AMERICA, F.I.F. EUROPE, F.I.F. PACIFIC of which the headquarters were transferred from Luxembourg to Luxembourg on October 2, 1987, have approved the liquidation and the transfer of assets to the respective new F.I.F. INTERNATIONAL accounts. Certificates of the old companies will be exchangeable on a one for one basis for certificates of the newly formed company and compartments as of January 1, 1988.

INFORMATION AND SUBSCRIPTIONS
Subscriptions for the new sections of F.I.F. International will start on December 9, 1987. The net asset values determined every Wednesday are expressed in U.S. dollars for the existing compartments and in the currency of reference for any other future sub-funds. They are published daily in the *International Herald Tribune* and appear on Reuters Monitor on page ISOF. The shares are quoted in Luxembourg francs on the Luxembourg Stock Exchange. Subscriptions may be forwarded to the Custodian Bank directly or through any Banque Indosuez office or subsidiary. No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus, accompanied by the latest annual or the latest semi-annual report if the latter were more recent than the annual report.

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BANQUE INDOSUEZ

BUSINESS ROUNDUP

Japan Brokers Said to Shelve Plans for Heng Seng Futures

HONG KONG—The big four Japanese brokerage houses have temporarily dropped plans to trade Heng Seng index futures because of the steep slide in stock and futures prices in October, market sources said Monday.

Volume in index futures has plunged to fewer than 1,000 contracts a day in recent weeks from an average of about 30,000 and a high of more than 40,000 shortly before the market slide.

The futures contract, introduced last year, had been the world's second most heavily traded stock index instrument.

Kenji Watanabe, a director at Yamaichi International (H.K.) Ltd., said, "After the market crash, the best thing to do right now is to adopt a wait-and-see attitude."

Yamaichi considered buying a seat on the exchange before the decline, Mr. Watanabe said. The company may reconsider if trading volume increases, he said.

Toru Nagano of Daiwa Securities (Hong Kong) Ltd. said his firm made preliminary studies before the slide but now has no plans to join the futures exchange.

Brokers said Nomura International (Hong Kong) Ltd. and Nikko Securities (Asia) Ltd. have also shelved plans to trade Heng Seng futures. Officials of the firms were not available for comment.

220 Miles of Logic
Now the U.S. is preparing to go 220 miles into space with a system that has been described as "putting Bell Laboratories into orbit." Complexity of the system will require months of programming array logic chips and other devices which the average investor has never heard of. While, phone or telex for computer reports about stocks battered down to \$7 and \$8 that could be high flyers tomorrow.

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E: STERLING BONDS \$17.78
F: DEUTSCHMARK BONDS \$17.00
G: U.S. GOVT. BONDS \$10.07
H: EURO BONDS \$10.07
I: STERLING EQUITY \$10.07
J: U.S. EQUITY \$10.07
K: JAPANESE EQUITY \$10.07
L: GLOBAL EQUITY \$10.07
M: STERLING "CASH" \$10.07
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Baer to Buy 15% Stake In U.S. Investment Firm

ZURICH—Baer Holding AG said Monday that it would acquire a 15 percent stake in the Boston-based Harbor Capital Management Co., an investment adviser that manages funds of about \$1.7 billion. It did not disclose the terms.

Baer, the parent of Switzerland's Bank Julius Baer & Co., said it held an option to acquire an additional 10 percent of Harbor.

4 Japanese Brokerages May Rein In Overseas Expansion

TOKYO—The four biggest Japanese securities firms, which are aggressively developing business abroad, may slow their expansion programs because of the uncertainty about world stock markets, company sources said.

"Investors' attitudes worldwide to securities overall appear to have cooled and the market for corporate bonds issues is also waning," said an official of one of the firms.

But Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co. and Yamaichi Securities Co. will only slow, not reduce, overseas activity, the sources said.

"The big four will shift to programs which put more emphasis on efficiency in their overseas subsidiaries after the strong expansion in personnel and budgets over the past several years," another official said.

"We have increased the size of overseas subsidiaries to meet the globalization of the securities markets, but the plunge in stock

prices in October and the markets' volatility thereafter will provide a good chance to review this program."

The total overseas staffs employed by the four firms soared to about 5,200 people in October from about 3,800 a year earlier. But fierce competition abroad may have led to slowed growth or declines in current profit in the year that ended Sept. 30.

Nomura's overseas subsidiaries had an estimated 38.5 billion yen (\$295 million) in profits in the 1986-87 fiscal year, up 1 percent from a year earlier. Yamaichi took in 15.7 billion yen, up 33 percent, mainly because of increased underwriting in the Euromarkets. Daiwa's profits were about 15 billion yen, down 29 percent, and Nikko's were 8.7 billion yen, down 30 percent, the sources said.

Officials of the four firms said that consolidated business results would be available next January but that they would not report on their overseas units.

An official at Nomura said his firm had

increased its overseas staff to 2,058 in October from 1,447 a year earlier, with most of the increase in New York and London.

Industry sources said that Nomura, which has about 10,000 employees in Japan, probably has reached its personnel target. It now will concentrate on efficiency, putting more emphasis on the United States, where it became a primary dealer in U.S. Treasury issues last year.

The number of personnel at Daiwa Securities' overseas units rose to about 1,300 in October from 1,000 a year earlier, while at Nikko's overseas offices the number of employees increased to 994 from 710 and at Yamaichi's units they rose to 930 from 630.

Sources at Nikko Securities said the firm would delay for a year its plans to increase the number of staff at its U.S. subsidiary to 500 by October 1988 from 320 this October.

Floating-Rate Notes

Dec. 7

Dollars

Issuer/Note	Coupon	Next	Bid	Ask
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
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Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250

Dec. 7

Yen

Issuer/Note	Coupon	Next	Bid	Ask
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
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Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250

Deutsche Marks

Issuer/Note	Coupon	Next	Bid	Ask
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
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Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
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Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250

Japanese Yen

Issuer/Note	Coupon	Next	Bid	Ask
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
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Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250

Pounds Sterling

Issuer/Note	Coupon	Next	Bid	Ask
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
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Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250
Alcoa Finance Corp.	7.25%	12/15/87	98.125	98.250

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Dec. 7, 1987

The marginal values indicate frequency of quotations supplied: 100 = daily; 50 = weekly; 25 = monthly; 10 = quarterly; 5 = semi-annually; 1 = annually.

Fund Name	Value	Fund Name	Value
ALMA GROUP	10.11	ALMA GROUP	10.11
ALMA GROUP	10.11	ALMA GROUP	10.11
ALMA GROUP	10.11	ALMA GROUP	10.11
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ALMA GROUP	10.11	ALMA GROUP	10.11
ALMA GROUP	10.11	ALMA GROUP	10.11
ALMA GROUP	10.11	ALMA GROUP	10.11

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AS - Australian Dollars; BF - Belgium Francs; CS - Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit; FF - French Francs; FL - Dutch Guilder; Lfr - Italian Lira; Lfr - Luxembourg Franc; Sfr - Swiss Franc; Yfr - Yen; \$ - U.S. Dollar; £ - Pound Sterling; A - Australian Dollar; B - Belgian Franc; C - Canadian Dollar; D - Deutsche Mark; E - Euro; F - French Franc; G - Guilder; H - Hong Kong Dollar; I - Italian Lira; J - Japanese Yen; K - Korean Won; L - Luxembourg Franc; M - Mark; N - Netherlands Guilder; O - Omani Rial; P - Pataca; Q - Qatari Rial; R - Rial; S - Saudi Riyal; T - Taiwan Dollar; U - U.S. Dollar; V - Vietnamese Dong; W - West German Mark; X - XDR; Y - Yen; Z - Zairean Shilling.

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613393 for further information.

مكتبة النور

BUSINESS ROUNDUP

Telex Stock Soars on Memorex Bid

The Associated Press
TULSA, Oklahoma — Telex Corp., which for two months has been fighting a takeover bid by the New York investor Asher B. Edelman, announced Monday that it was considering a proposal from Memorex International NV to acquire all of Telex's shares outstanding for about \$911.4 million in cash and securities.

The Memorex offer, equal to \$62 a share, sent the price of Telex stock soaring to \$51, up \$9.25, when the New York Stock Exchange opened. Telex stock closed Monday at \$51.50.

For New York, a broker told Reuters that investors and arbitrageurs, many of whom had steep losses during October's market collapse, were still wary of takeover situations. "In general," he said, "I don't see any takeover stocks trading at or above the offer price."

Telex also said it was recommending rejection of Mr. Edelman's latest offer, made Nov. 25, for \$55. When Mr. Edelman made a \$65 bid, on Oct. 8, Telex stock traded at \$61. He reportedly then held 1.1 million shares, or about 8 percent.

A deal with Memorex, a Dutch company headquartered in London, "would be advantageous to both companies and their customers," Telex's president, George L. Bragg, and its chairman, Stephen J. Jastras, said in a statement.

Memorex makes computer components, and Telex produces computers, electronics communications equipment and audio devices. Memorex, formerly a part of Burroughs Corp., was sold last year to an international group of Memorex executives.

Memorex proposes to acquire all 14.7 million Telex's shares outstanding for \$56 in cash and \$6 liquidation preference of a series of junior preferred stocks for each share of Telex common stock, according to a Telex spokeswoman.

Memorex has asked for a response by 6 P.M. Saturday.

Corey Horowitz, spokesman for Mr. Edelman's TLX Acquisition Corp., said he had not examined the Memorex proposal and would reserve comment. He said the \$55-a-share offer still stood.

The Memorex bid is conditioned on agreement on the terms of the transaction by the companies' boards and by completion of Memorex's financing arrangements.

The Telex board also has authorized the filing of a preliminary proxy statement with the Securities and Exchange Commission relating to its previously announced recapitalization plan.

Legrand Offers £255 Million For MK Electric, Tops RTZ

Reuters
LONDON — Legrand SA, the French electrical group, said Monday that it was offering £255 million (\$458 million) for MK Electric Group PLC, which has already received a £206.5 million bid from RTZ Corp., the British mining and industrial holding company.

The target company, which makes electrical products for the construction and residential housing market, said the latest offer, at 600 pence cash a share, was too low. It had said the same to RTZ's cash offer last month of 550 pence a share or £206.5 million.

RTZ, whose RTZ Pillar Ltd. is also a major supplier to the construction industry, already owns 21.7 percent of MK Electric, while Legrand has a 9.3 percent holding.

MK Electric shares initially jumped 19 pence on news of the new bid to 679 pence on the London Stock Exchange, but retreated in late trading to 667 pence.

When RTZ made its bid on Nov. 24, MK Electric shares jumped to around 554 pence, up 140 pence from the previous day.

Legrand's shares slipped to 2,030 French francs (\$360) Monday on the Paris Bourse from 2,040 francs on Friday.

RTZ's shares fell 12 pence to close at 308 pence on the London Stock Exchange from Friday's finish at 320 pence.

RTZ made no comment on the competing offer.

MK Electric had net attributable profit of £12.1 million in its financial year ending March 28.

Kodak and Colorcraft Plan \$600 Million Joint Venture

United Press International
ROCHESTER, New York — Eastman Kodak Co. and Colorcraft Corp., two of the largest U.S. photofinishers, said Monday that they planned to create a \$600 million joint venture controlling a quarter of the growing U.S. photofinishing market.

The venture, which must be reviewed by federal officials for possible antitrust problems, would combine Kodak's 53 wholesale photofinishing laboratories with 41 labs operated by Colorcraft of Durham, North Carolina.

If approved, the new company is expected to begin operating by February. Kodak and Colorcraft's parent company, Fuqua Industries Inc. of Atlanta, would share the profits.

J.B. Fuqua, chairman of Fuqua Industries, said the new company would serve all 50 states. The name of the venture was not disclosed.

The company will be headed by Carl Hamill, president of Colorcraft. To provide a larger market for Kodak paper and chemicals, Kodak has acquired four photofinishers in the past year. Qualis Photofinishing Co., Ciba-Geigy Corp.'s CX subsidiary, American Group of Atlanta and Fox Photo Inc. of San Antonio, Texas.

Eugene Glazer, an analyst with Dean Witter Reynolds Inc., said the venture would control 25 percent of the U.S. market, making it the largest photofinisher in the United States and probably the world.

L.F. Rothschild to Cut Staff by 700

Reuters
NEW YORK — L.F. Rothschild Holdings Inc. said Monday that the brokerage would cut its work force by 700, or almost 37 percent, within three to six months but would not sell its retail brokerage operations.

Officials also said that negotiations with Shearson Lehman Brothers Holding Inc. and Integrated Resources Inc., concerning the sale of all or part of the firm, had been ended because Rothschild wants to remain independent. But the firm said that it was continuing to seek an infusion of capital and that it would dismantle its securities clearing operations, which would free up \$30 million.

Rothschild said it was negotiating with a unit of Merrill Lynch & Co. to handle its clearing operations.

In late October Rothschild laid off 150 workers and said it had lost \$44 million as a result of the stock market collapse.

PETROBRAS: Expanding Abroad to Distance Itself From Brazil's Plight

(Continued from first finance page)
ogy, railroad and other state-owned corporations that live permanently in the red.

"We took measures to prevent the company from falling into a sort of black hole from which we would never emerge without outside help," Colonel Silva said, enumerating actions that included a \$500 million reduction in investment plans. "We had a cash flow problem, but we have maintained our economic health."

Having the government as its main shareholder, though, has posed for Petrobras the dilemmas of a split personality: It must often fight the government's political decisions to defend the same government's business interests.

Petrobras was founded in 1953 to the nationalist cry of "the oil is ours." Its emergence as a corporation with 50,000 employees, annual revenues of \$17 billion and a long record for efficiency has given it a

strong sense of independence that it is not reluctant to exercise.

It is not considered unusual for Petrobras chiefs to speak out on sensitive issues. In that, Colonel Silva, 56, an engineer, enjoys a special advantage. Even before taking over the oil monopoly last year, he had won respect in both government and business circles for his achievements as founder and long-time chief executive officer of the successful state aircraft company, Embraer.

Only last month, Colonel Silva felt free to urge that a special assembly drafting a new constitution drop its plans to nationalize domestic fuel distribution. Petrobras currently shares such operations with Shell, Exxon, Atlantic Richfield and Texaco. He has also sharply criticized Brazil's policy of excluding foreign participation in much of the computer market as an example of misguided nationalism.

Silva's personal convictions are very pro-private sector, a foreign oil expert said. "That's how he ran Embraer, and he wants the opportunity to run Petrobras in the same way. But it won't be easy. Petrobras is much larger and its domestic role is special."

For example, entrepreneurial criteria and political priorities inevitably clash when the government allows the increase in retail gasoline and alcohol fuel prices to fall behind the inflation rate, thus forcing Petrobras to cut spending or increase borrowing. Standing at \$2.1 billion, however, the foreign debt of Petrobras is still considered to be manageable.

At times, strategic factors also complicate business decisions, as with the current clash between the powerful lobby of sugar-based alcohol-fuel producers and Petrobras.

The program to promote alcohol fuel was founded after the 1973 oil price shock awakened Brazil, a ma-

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Peers Offers \$385 Million for Allis Units

Reuters
MILWAUKEE — Allis-Chalmers Corp. said Monday that Peers & Co., a private New York investment banking firm, had expressed an interest in buying its operating assets and properties for \$385 million cash.

It said the price may be lowered if a certain minimum value of the assets to be included in the agreement is not reached.

Allis said the acquisition would include Allis-Chalmers Solids Process Equipment Co., Energy & Minerals Systems Co., Fluid Products Co. and American Air Filter Co.

Allis-Chalmers, a former farm-equipment giant that had struggled for two years to put itself on a firm footing, filed in June for protection from creditors under Chapter 11 of the U.S. bankruptcy code while it worked out a way to pay its debts.

On Dec. 3, it received bankruptcy court approval to sell its Solids Process Equipment and Energy & Minerals Systems businesses to Boliden AB, a Swedish mining, metals and trading group. That agreement expires Dec. 31.

Allis said Peers indicated it had received tentative financing approval from Prudential-Bache Interfund Inc. and Manufacturers Hanover Trust Co.

Allis reported a net loss of \$14.1 million in the first nine months of 1987, against net income of \$1.58 million a year earlier. It had a loss of \$8.58 million for 1986.

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(Continued on next page)

Versions may change from country to country.

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CURRENCY MARKETS

Dollar Ends Higher in Quiet Trading

NEW YORK — The dollar closed higher in quiet trading on Monday after participants covered short positions before U.S. trade data for October due out on Thursday, dealers said.

They said short-covering was spurred by improved near-term dollar prospects after last week's round of interest rate cuts in Europe.

Participants also squared positions to avoid being caught short if the dollar gains on Thursday's data.

But dealers said long-term sentiment remained negative and the market continued to be concerned over the state of the economy.

In New York, the dollar closed at 1.6785 Deutsche marks, up from 1.6705 on Friday; at 132.95 Japanese yen, up from 132.35; at 5.6840 French francs, up from 5.6575, and at 1.3695 Swiss francs, up from 1.3645.

Analysts also said year-end trading was giving the dollar some support.

"Call it short-covering or clear-

London Dollar Rates

Currency	Mon.	Fri.
Deutsche mark	1.6785	1.6705
Japanese yen	132.95	132.35
French franc	5.6840	5.6575
Swiss franc	1.3695	1.3645

In London, the dollar closed at 1.6710 DM, up from 1.6675 on Friday; at 132.77 Japanese yen, down from 132.85; at 1.3635 Swiss francs, down from 1.3645; and at 5.6613 French francs, up from 5.6550.

The dollar was stronger against the British pound, which closed at \$1.7945, against \$1.7975 on Friday.

Earlier in Europe, the dollar was fixed in Frankfurt at 1.6707 DM, up from 1.6536 on Friday, and in Paris at 5.6675 French francs, up from 5.6250.

In Zurich, the dollar closed at 1.3635 Swiss francs, up from 1.3575.

Nobel Economist Sees Further Drop in Dollar

STOCKHOLM — Robert Solow, the 1987 Nobel Prize winner in economics, said Monday that the dollar was still not in equilibrium and would fall further.

How much further, he said at a news conference here, depended on how far creditor nations, such as West Germany, Japan, South Korea and Taiwan, expanded their economies.

Mr. Solow, a professor at the Massachusetts Institute of Technology, said in New York Thursday that the dollar could fall 10 to 30 percent further.

CURRENCY: U.S. Support Is Dismissed as 'Peanuts'

(Continued from Page 1)

there had been no major change of U.S. policy, said Washington still was giving top priority to staving off the threat of recession by keeping interest rates down.

David Buchen, partner in the New York investment management firm of Buchen, Kurz & Co., said that economic conditions were not yet ripe for stabilizing the dollar and that neither the U.S. Treasury nor

the Fed was ready to tighten monetary policy to support the dollar.

He said the Fed's intervention Friday was no more than a gesture to the European governments, to show appreciation for their efforts to ease monetary policies.

But a number of European analysts said the timing was nearing for Washington to change tack. Chris Jones, an economist at Phillips & Drew, a London brokerage, predicted

that U.S. authorities would signal that they were serious about defending the dollar soon after Congress completed its budget deficit-trimming exercise later this month.

The dollar's value was "now just about right," Mr. Jones said. But he said he thought Washington would like to see the dollar fall a little more, to offset the upward bounce that would occur when stability was declared.

TOKYO: Why the Market's Rules May Have Moderated the Decline in Prices

(Continued from first finance page)

are held by a group of friendly shareholders, whose stock ownership in a company counts as a business relationship. This business cross-shareholding system effectively bars hostile takeovers.

Some of the rules of the exchange itself also offer protection against a collapse. The exchange suspends trading in a stock if its price rises or falls more than 10 percent, or if there are more than 10 times as many buy as sell orders. Instead of the specialists of Wall Street, the *sanshi*, or match-makers, in Tokyo simply match up buy and sell orders; they do not trade on their own account, as do American specialists.

Tokyo also does not yet trade stock futures or options and does not use the computer-programmed trades that some say helped produce the Wall Street plunge. The Ministry of Finance expects to allow futures trading in Tokyo sometime next year.

Although there is no set limit on margin trades — buying stock on credit — the Tokyo Stock Exchange sets a minimum required payment, adjusting the minimum depending on market conditions.

More fundamentally, however, analysts here say, the Tokyo market resists collapse because a few small groups can exercise enormous influence over the direction

management by the companies and the ministry.

"The ministry would never say anything directly, of course. They just say things like, 'It would be really bad if a down cycle began in Tokyo,' or 'I hear your cash position is very high these days.'"

The weeks after Oct. 19 offer many examples of a market recovery after consultations between securities firms and the Finance Ministry. On Oct. 20, for instance, securities executives gathered for a previously scheduled meeting with ministry officials, who urged them not to panic. The Nikkei average of leading stocks dropped 15 percent, a one-day drop of 15 percent from Oct. 14, but foreign and individual investors did most of the selling. On Nov. 11, the Nikkei average was falling fast, approaching a level that would force those Japanese investors who had bought stock on credit to pay the balance of these margin trades. The market rebounded in the afternoon, after a meeting between the ministry and securities firms.

Fundamentally, analysts say, the Tokyo market resists collapse because a few small groups can exercise enormous influence over the direction of the market.

of the market. Individuals own less than a quarter of the shares on the exchange, with the large majority of shares held by financial institutions. These institutions heed the advice of the four leading securities companies — Nomura, Daiwa, Nikko and Yamaichi — which have a much larger market share than any brokerage house in New York or London.

These firms, in turn, answer to the Ministry of Finance, which licenses them. The ministry confers often with executives of the brokerage houses and with the other major players in the market. Finance Ministry officials say that they do not tell securities firms what to do but merely discuss trends.

What we will never tell them what they should do."

In Japan, however, hints are often more than adequate spurs to action.

Many market analysts argue that the Finance Ministry, securities firms and individual investors have a mutual interest in seeing the market rise — and so it does.

"This is a very easy market to control because of the small holdings of individuals," said Masakazu Kobayashi, an advocate for individual investors who has written widely on the stock market. "The Ministry of Finance's relationship with the securities houses is too close. The reason the Tokyo market hasn't fallen that much is market

Monday's OTC Prices

NASDAQ prices as of 4 p.m. New York time.

This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar volume. It is updated twice a year.

See The Associated Press

Table with 10 columns: 12 Month High, 12 Month Low, Div. Yld., High, Low, 4 P.M. Close, Net Change.

Table listing various OTC stocks and their prices.

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SPORTS

Tight Cup Downhill Is Taken by Mahrer

Compiled by Our Staff From Dispatches

VAL D'ISERE, France—Daniel Mahrer, knocked out of a victory 24 hours earlier, edged teammate Pirmin Zurbriggen to win a men's World Cup downhill ski race Monday and complete a Swiss revival.

Mahrer raced down the 3,500-meter (11,482-foot) Oreiller-Killy course in 1 minute, 59.52 seconds, to nip Zurbriggen by three-hundredths of a second. Michael Mair of Italy was third, finishing in 1:59.56—one-hundredth of a second behind Zurbriggen—in one of the tightest cup races ever.

"It's difficult to be first again, but I had a great motivation," said Mahrer, who was leading the race on Sunday when it was fogged out. "This confirms the good placements I had last spring" (Mahrer finished the downhill season last year with a second and third).

Only three downhill in the 21-year-old history of the World Cup ever have been decided by smaller margins, and the four-hundredths of a second difference between Mahrer and Mair was believed to be the smallest ever among the top three places. Less than a second separated the top 13 finishers in the race.

Zurbriggen knows about tight finishes. "In Yugoslavia I lost a giant slalom race by one-hundredth of a second," he said. "This is sort of a revenge for Mahrer—in Aspen last year I was first and he was second." Zurbriggen beat Mahrer in a downhill in Colorado last March by five-hundredths of a second.

The Swiss took all three weekend downhill races here, Maria Walliser and Chantal Bourissin winning the women's events. Swiss skiers took six of the top nine spots in the three races. On the previous weekend, which opened the season, the best they could manage was two thirds in five races.

Switzerland placed five men in

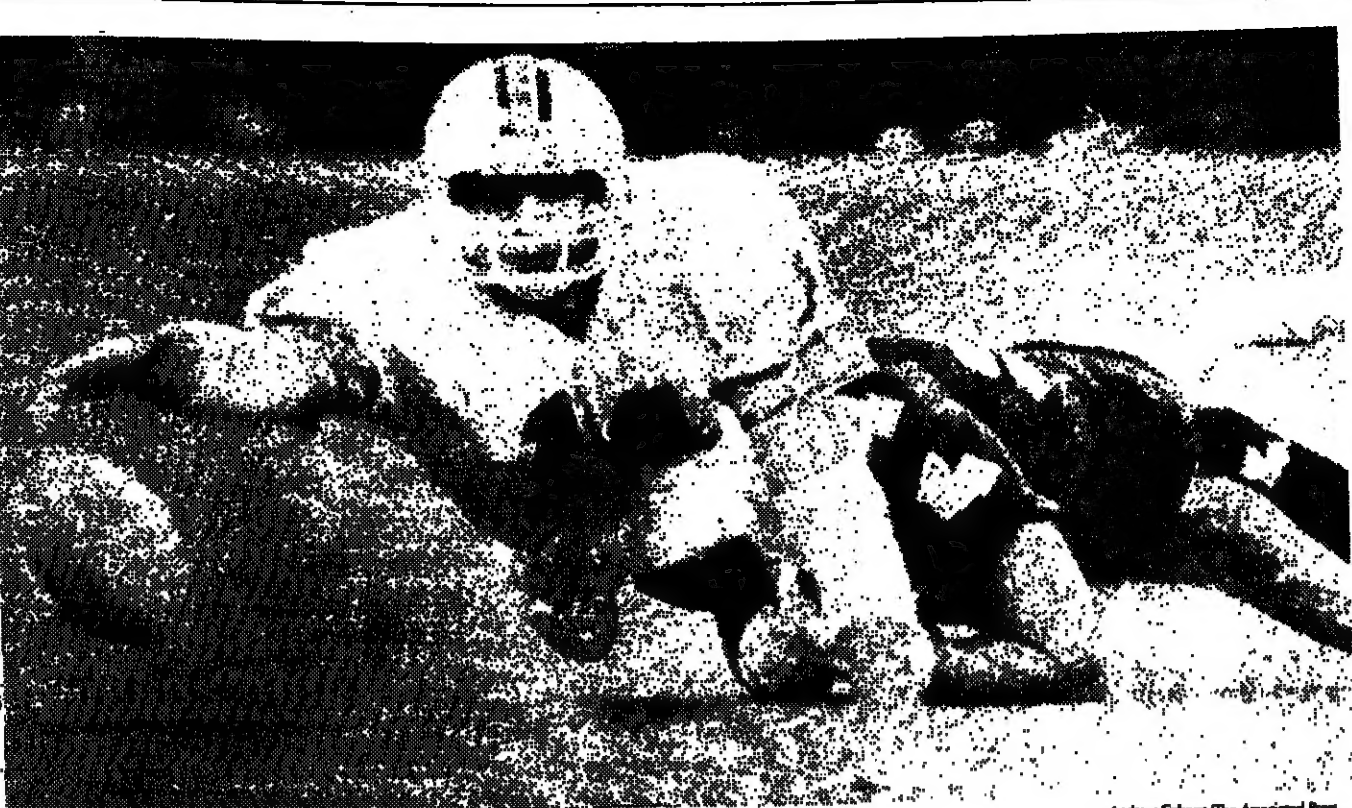


Philippe Wojcikowski/Reuters

Daniel Mahrer at Val d'Isere: "It's difficult to be first again."

Monday's top 10. Karl Alpgier finished fourth in 1:59.86, Franz Heinzer fifth (2:00.30) and Peter Müller 10th (2:00.32).

Zurbriggen, who won the overall cup title last year, moved into second place in the overall standings with 29 points. Alberto Tomba of Italy remained in first with 50 points as a result of two victories in last week's races in Italy. Mahrer is third with 25 points. (AP, UPI)



Jim Wilks jarred the ball out of Vinny Testaverde's hands in Sunday's first quarter; Bruce Clark recovered for the Saints.

Saints Gain Playoffs for First Time

Compiled by Our Staff From Dispatches

NEW ORLEANS—There was dancing and partying as usual on Bourbon Street. This time, the festivities were spurred by the New Orleans Saints, who marched into the National Football League playoffs for the first time.

It took 21 seasons, but a 44-34 victory over Tampa Bay here Sunday clinched at least a playoff berth for the 9-3 Saints. New Orleans never had a winning record before this season.

"It's a great feeling," said tackle

NFL ROUNDUP

Stan Brock, who remembers playing for the Saints who went 1-15 in 1980. "I feel a little sorry for the Joe Feterspiels, the Archie Mannings, the Derland Moores—all the guys who spent so much time here and tried so hard and never felt this."

The Saints were joined by San Francisco, Washington and Chicago as early playoff qualifiers. The 49ers moved to 10-2, one game ahead of New Orleans in the National Conference West, the Redskins wrapped up the NFC East and Chicago won its fourth consecutive NFC Central title.

The American Conference, meanwhile, remained full of dramatic races. There were changes at the top of all three divisions Sunday: Denver passed San Diego for the Western Division lead, Cleveland fell into a three-way tie with Pittsburgh and Houston in the Central and Indianapolis took sole possession of the top spot in the East.

New Orleans quarterback Bobby Hebert had the biggest day in his

three seasons of NFL duty, completing 16 of 24 passes for 255 yards and two touchdowns. Those scores came after Vinny Testaverde, the first pick in this year's draft, fumbled two of the first four snaps for the Buccaneers, losers of five straight.

Testaverde fumbled on the third play of the game on a sack and Bruce Clark recovered on the Tampa Bay 19-yard line. Hebert hit John Tice on an 8-yard TD pass four plays later. Testaverde fumbled the snap on the next play and Pat Swilling recovered at the 38. Hebert eventually found Tice from the 6.

Bears 30, Vikings 24: In Minneapolis, backup quarterback Mike Tomczak threw a 38-yard scoring pass to Dennis Gentry with 40 seconds left, rallying Chicago. Starter Jim McMahon had suffered a hamstring injury with 11:01 remaining in the game.

With the Vikings trailing by 20-7 in the third quarter, Wade Wilson came off the bench to give Minnesota the lead with three touchdown passes.

Broncos 31, Patriots 20: In Denver, John Elway threw two second-half touchdown passes and Mark Haynes returned an interception for another score to lift the Broncos to their fourth straight victory.

Elway also executed a quick kick that was downed on the New-England 5. Mark Haynes soon picked off a Tom Ramsey pass and ran it 14 yards for a score.

Raiders 34, Bills 21: In Los Angeles, Marc Wilson outduelled Jim Kelly, completing 21 of 32 passes for 337 yards and three TDs, as the Raiders dropped Buffalo from a tie for first in the AFC East.

Kelly was 22-of-36 passing for 315 yards and one score. He has thrown at least one TD pass in 17 straight games. (AP, UPI)

Masters Final: Final Marathon of 1987?

By John Feinstein
Washington Post Service

NEW YORK—It was Stefan Edberg, the man hurt most by the strange format of the Masters tennis tournament, who best summed up this event—and perhaps all of men's tennis.

"There are always problems with round robins," he said Sunday

after losing to Mats Wilander, 6-2, 4-6, 6-3. "Yesterday I beat Mats and then today I have to play him again. I come here out for a Masters semifinal and there are 2,000 people even though we're told that all the seats are sold. It's hard to get psyched to play."

Unless you're Ivan Lendl. As the world's No. 1 player, he

doesn't need crowds or round robins or straight elimination or best-of-three or best-of-five to get psyched, especially against Brad Gilbert. He has beaten Gilbert 14 times in 14 meetings and Sunday was no different. He broke Gilbert in the opening first game and cruised to a 6-2, 6-4 victory.

That puts Lendl in his eighth straight Masters final, Monday night against Wilander, who will be playing in the final for the first time. Lendl has won the tournament four times, including the last two years. If he isn't unbeatable, he's close to it.

"I'm going to have a chance it will be because he isn't serving very well," Wilander said. "I can't really change my tactics against him because if I come in he'll pass me. I've got a chance, though."

He has had chances against Lendl in major finals this year—the French and U.S. Opens—and turned both into marathons. Lendl won both in four tough sets.

On Sunday Wilander faced Edberg for the second time in less than 24 hours thanks to the weird format adopted by the Men's International Pro Tennis Council for this tournament. Because Edberg had beaten Wilander, he finished No. 1 in their four-man group; Wilander was second. Lendl won the other group with Gilbert second.

But instead of having No. 1 in Group A play No. 2 in Group B and No. 1 in Group B play No. 2 in Group A, the MPTC staged a racket spin Saturday after the last round-robin matches. Edberg drew Wilander—again.

"It's very hard to play a guy two days in a row, especially when you've beaten him easily the day before," said Lendl. "No matter how hard you try, it's tough to convince yourself the other guy can beat you."

Edberg's problem was apparent from the start. He was as flat as he had been enthusiastic on Saturday. Wilander was just the opposite, chasing down balls, turning Edberg's apparent winners into winners of his own.

"He played loose," said Edberg. "It was like he had nothing to lose. I just never got into the match."

Gilbert never gets into matches against Lendl. Earlier last week, after blasting him in the round-robin portion of the tournament, Lendl was asked why he always beats Gilbert so easily.

"I hit the ball and he pushes it," Lendl began. "His second serve isn't hard or deep. He's quick, but I'm not the slowest guy on tour, either. And when he plays me I think he has a mental block."

Sunday was no different, although Lendl allowed he was "just glad to be in the final."

The Masters is the event that time forgot. Lendl is always in the final. His dominance is part of this tournament's problem: Nothing seems to change. In fact only Gilbert—playing in place of the struggling Boris Becker—altered this year's semifinal group from last year's.

And every year there seems to be controversy because of the format. This year, when Lendl and Becker played the last round-robin match Saturday, almost no one in the crowd realized that Becker had to win in straight sets to reach the semis. Once he lost the first set, he was out of the tournament, but officials did not announce that before the match.

Through all this, the tennis season was to end with Lendl-Wilander Monday night. That's appropriate, because their first two meetings in 1987 went on and on, from daylight into darkness. It's been that kind of year in tennis.



Jack Heibel/Reuters-United Press International

Mats Wilander: "I've got a chance, though."

West German Hockey Ices Ads for Gadhafi

The Associated Press

FRANKFURT—A West German ice hockey team headed for bankruptcy Monday after sports officials banned the club from advertising Moslem Gadafi's ideology in return for financial help.

First-division Iserehn faced off Friday with its players wearing uniforms advertising the Libyan leader's "Green Book," in which he outlines his philosophy, a combination of radicalism and socialism.

But the national hockey federation quickly banned the ads, and Iserehn played in its old uniforms in Frankfurt Sunday. The federation threatened to exclude the team from league competition if its players wore the Green Book ads.

Iserehn officials said the club was promised 1.5 million marks (\$900,000) from Libya for wearing the advertising. Iserehn owes 5.8 million marks, and the sum reportedly promised by Libya was necessary to keep it afloat. "If we are not allowed to wear Green Book uniforms, then the club is finished," said Heinz Weitenbach, the team president, before Sunday's game.

Bankruptcy negotiator Winfried Andres said Monday he was appealing to the other nine first-division clubs to contribute to an emergency fund to keep Iserehn from folding. But Sepp Pfingel, the league supervisor, said the rescue plan would set a dangerous precedent. "If we agree to this,

we'll have another club asking for the same thing in four weeks," he said.

Iserehn's unprecedented bid to get aid from Libya had been widely condemned by sports and government officials, who said it threatened to politicize sports. Michael Amras Butz, an interior ministry spokesman, called Iserehn's plan to promote the Green Book a "bad joke."

Even Iserehn's fans spoofed the club's new image Friday night, when the team skated out Friday wearing shirts with an image of a green book bearing Gadafi's name and the words "The Green Book" in German. Many spectators wore traditional Arab dress with flowing headgear.

Doubts were also cast on Weitenbach's statement that he had the money pledge from the Libyans. Bankruptcy negotiator Andres said that Weitenbach had not presented written proof that he had the money; the team president responded by filing a suit against the federation, claiming damages for lost income resulting from the advertising ban.

In Frankfurt on Sunday, the team was greeted with whistles and boos and anti-Gadafi posters. Security agents checked the arena for bombs and prevented Weitenbach from carrying in a package they suspected contained the Green Book uniforms.

Iserehn is so broke that Frankfurt paid its travel and overhead costs of 30,000 marks. It has sold several players recently to raise cash.

SCOREBOARD

Football

Selected Final U.S. College Conference Standings

Team	W	L	T	Pts	PA
Webster St.	7	1	0	141	22
Yale	7	1	0	141	22
Marquette	6	2	0	126	22
Marquette	6	2	0	126	22
St. Louis	6	2	0	126	22
St. Louis	6	2	0	126	22
St. Louis	6	2	0	126	22
St. Louis	6	2	0	126	22
St. Louis	6	2	0	126	22
St. Louis	6	2	0	126	22

Basketball

NBA Standings

Team	W	L	T	Pts	PA
Los Angeles	11	0	0	22	0
Phoenix	10	1	0	21	1
San Antonio	9	2	0	18	4
Portland	8	3	0	16	7
Utah	7	4	0	14	10
San Jose	6	5	0	12	13
Golden State	5	6	0	10	16
Seattle	4	7	0	8	19
Phoenix	3	8	0	6	22
San Jose	2	9	0	4	25
Golden State	1	10	0	2	28

U.S. College Results

Team	W	L	T	Pts	PA
Los Angeles	11	0	0	22	0
Phoenix	10	1	0	21	1
San Antonio	9	2	0	18	4
Portland	8	3	0	16	7
Utah	7	4	0	14	10
San Jose	6	5	0	12	13
Golden State	5	6	0	10	16
Seattle	4	7	0	8	19
Phoenix	3	8	0	6	22
San Jose	2	9	0	4	25
Golden State	1	10	0	2	28

NFL Standings

Team	W	L	T	Pts	PA
Indianapolis	7	5	0	141	22
N.Y. Jets	6	6	0	126	22
San Diego	6	6	0	126	22
Atlanta	5	7	0	108	22
New England	5	7	0	108	22

National Hockey League Standings

Team	W	L	T	Pts	PA
Winnipeg	11	0	0	22	0
Edmonton	10	1	0	21	1
Calgary	9	2	0	18	4
Edmonton	8	3	0	16	7
Calgary	7	4	0	14	10
Edmonton	6	5	0	12	13
Calgary	5	6	0	10	16
Edmonton	4	7	0	8	19
Calgary	3	8	0	6	22
Edmonton	2	9	0	4	25
Calgary	1	10	0	2	28

World Cup Skiing

Team	W	L	T	Pts	PA
Switzerland	11	0	0	22	0
France	10	1	0	21	1
Switzerland	9	2	0	18	4
France	8	3	0	16	7
Switzerland	7	4	0	14	10
France	6	5	0	12	13
Switzerland	5	6	0	10	16
France	4	7	0	8	19
Switzerland	3	8	0	6	22
France	2	9	0	4	25
Switzerland	1	10	0	2	28

Transition

BASKETBALL
National Basketball Association
HOUSTON—Activated Robert Reid, forward-guard, from the injured list. Waived Richard Anderson, forward.

COLLEGE
AUSTIN PEAY—Announced the resignation of Emory Hall, football coach.

Clemson Wins U.S. College Soccer Title

By Alex Yannis
New York Times Service

CLEMSON, South Carolina—Clemson University's \$12 million investment in a small stadium built exclusively for soccer paid its first dividend in during the weekend.

The Tigers won the National Collegiate Athletic Association tournament Sunday afternoon and became the first school in the 29-year history of the event to win the title playing on its own campus.

With encouragement from a standing-room-only crowd of 8,352 at Riggs Field, Clemson defeated San Diego State, 2-0, on goals by Paul Rutens in the 23rd minute and Richie Richmond with less than a minute left in the game.

"The crowd gave us an emotional lift," said Coach I.M. Ibrahim. "I think this year's championship

had a greater impact than any before for college soccer."

It was the sixth time Clemson had reached the final four under Ibrahim. The Tigers won in 1984, in Seattle, against Indiana University. They lost the 1979 championship game to Southern Illinois-Edwardsville before a small crowd at Florida's Tampa Stadium.

Playing in the Atlantic Coast Conference, the strongest in the country, helped the Tigers reach their peak when it counted. They finished tied for last in the ACC, but they were given a playoff berth despite five losses.

Neither Clemson nor San Diego State were ranked among the top 20 teams in the country.

The Tigers scored a 4-1 semifinal victory Saturday over North Carolina, which beat Clemson twice during the regular season. San Diego State reached the final for the first time with a semifinal victory over Harvard on penalty kicks.

"When they announced the tournament field it was like a new season for us," said Rutens. "Every year was high-spirited and aggressive in practice."

Rutens got the only goal his Tigers (18-5-1) needed when he headed, on a pass from Bruce Murphy, the team's leading scorer, went into the net before bouncing off the foot of Brad Walsh, a defender for the 20-6-0 Aztecs.

Dominating with short and quick passes by their midfielders and forwards, Clemson pinned San Diego State in its own end of the field for almost the entire first half.

The teams played on equal terms thereafter, and San Diego had its chances to tie before its hopes were ended on the goal by Richmond.

National Conference

Team	W	L	T	Pts	PA
Washington	7	5	0	141	22
Dallas	6	6	0	126	22
Philadelphia	5	7	0	108	22
St. Louis	4	8	0	90	22
N.Y. Giants	3	9	0	72	22

American Conference

Team	W	L	T	Pts	PA
Atlanta	11	0	0	22	0
Indianapolis	10	1	0	21	1
Cincinnati	9	2	0	18	4
San Francisco	8	3	0	16	7
San Francisco	7	4	0	14	10
San Francisco	6	5	0	12	13
San Francisco	5	6	0	10	16
San Francisco	4	7	0	8	19
San Francisco	3	8	0	6	22
San Francisco	2	9	0	4	25
San Francisco	1	10	0	2	28

San Francisco Results

Team	W	L	T	Pts	PA
Atlanta	11	0	0	22	0
Indianapolis	10	1	0	21	1
Cincinnati	9	2	0	18	4
San Francisco	8	3	0	16	7
San Francisco	7	4	0	14	10
San Francisco	6	5	0	12	13
San Francisco	5	6	0	10	16
San Francisco	4	7	0	8	19
San Francisco	3	8	0	6	22
San Francisco	2	9	0	4	25
San Francisco	1	10	0	2	28

San Francisco Standings

Team	W	L	T	Pts	PA
Atlanta	11	0	0	22	0
Indianapolis	10	1	0	21	1
Cincinnati	9	2	0	18	4
San Francisco	8	3	0	16	7
San Francisco	7	4	0	14	10
San Francisco	6	5	0	12	13
San Francisco	5	6	0	10	16
San Francisco	4	7	0	8	19
San Francisco	3	8	0	6	22
San Francisco	2	9	0	4	25
San Francisco	1	10	0	2	28

San Francisco Standings

Team	W	L	T	Pts	PA
Atlanta	11	0	0	22	0
Indianapolis	10	1	0	21	1
Cincinnati	9	2	0	18	4
San Francisco	8	3	0	16	7
San Francisco	7	4	0	14	10
San Francisco	6	5	0	12	13
San Francisco	5	6	0	10	16
San Francisco	4	7	0	8	19
San Francisco	3	8	0	6	

